

Agenda



HYNDBURN

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Cabinet

Wednesday, 22 October 2025 at 5.00 pm,
QER, Scaitcliffe House, Ormerod Street, Accrington

Membership

Chair: Councillor Munsif Dad BEM JP (in the Chair)

Councillors Vanessa Alexander, Scott Brerton, Stewart Eaves, Melissa Fisher, Clare Pritchard, Ethan Rawcliffe and Kimberley Whitehead

A G E N D A

PART A: PROCEDURAL AND INFORMATION ITEMS

1. **Apologies for Absence**
2. **Declarations of Interest and Dispensations**
3. **Minutes of Cabinet** *(Pages 3 - 20)*

To approve the Minutes of the meeting of Cabinet held on 10th September 2025.

4. **Minutes of Boards, Panels and Working Groups** *(Pages 21 - 22)*

To receive the minutes of the meetings of the following bodies:-



Name of Body	Date of Meeting
Cabinet Waste and Recycling Group	30 th September 2025

PART B: PORTFOLIO ITEMS

5. Reports of Cabinet Members

To receive verbal reports from each of the Portfolio Holders, as appropriate.

Leader of the Council (Councillor Munsif Dad BEM JP)

6. Local Government Peer Challenge Progress Review *(Pages 23 - 42)*

Report attached.

Portfolio Holder for Transformation and Town Centres (Councillor Clare Pritchard)

7. Town Centre Levelling Up Funded Project Progress *(Pages 43 - 54)*

Report attached.

Portfolio Holder for Resources and Council Operations (Councillor Vanessa Alexander)

8. Economic Crime and Corporate Transparency Act 2023 - Failure to Prevent Fraud - Guidance and Policy Document *(Pages 55 - 74)*

Report attached.

PART C: EXEMPT ITEMS

NIL

CABINET

Wednesday, 10th September, 2025

- Present:** Councillor Munsif Dad BEM JP (in the Chair), Councillors Vanessa Alexander, Scott Brerton, Stewart Eaves, Melissa Fisher, Clare Pritchard and Kimberley Whitehead
- In Attendance:** Councillors Judith Addison, David Heap, Zak Khan, Kath Pratt and Steven Smithson
- Apologies:** Councillor Ethan Rawcliffe
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143 Apologies for Absence

Apologies for absence were submitted on behalf of Councillor Ethan Rawcliffe.

144 Declarations of Interest and Dispensations

There were no declarations of interest or dispensations made on this occasion.

145 Minutes of Cabinet

The minutes of the meeting of Cabinet held on 30th July 2025 were submitted for approval as a correct record.

Resolved - **That the Minutes be received and approved as a correct record.**

146 Reports of Cabinet Members

Leader of the Council

Councillor Munsif Dad BEM JP reported on the following:

Local Government Reorganisation

The Government had set a timeline for Lancashire councils to produce a preferred option for local government reorganisation (LGR) by 28th November 2025. LGR was the process of moving from the current two-tier system of a county council, two smaller unitary councils and 12 district councils in Lancashire, to a simpler model of fewer unitary councils.

The Government aims with LGR were to improve efficiency savings, service delivery, provide stronger local leadership, economic growth, community identity and foster effective local partnerships while not hindering the ability to deliver sustainable and high quality services for residents.

Guidance stated that most new authorities should serve at least 500,000 people. Exceptions might be made to ensure the system worked well for each area.

Councils in Lancashire were working together and discussing possible options for reorganisation. The Council would continue to represent Hyndburn in these discussions in order to raise any concerns that might impact local issues or services.

Currently there were five proposals based on following models:

- Model 1 consisted of Lancashire being split into 2 large unitary councils with a North / South divide;
- Model 2 consisted of 3 unitary councils (North / East / West);
- Models 3 and 4 were 2 different configurations of 4 unitary councils; and
- Model 5 consisted of 5 smaller unitary councils.

A survey had gone live consulting the public on their view – this was available on the Council's website to complete calling on residents, businesses and community organisations to have their say on shaping the future of local government in the county.

The results of the survey, along with data from business cases compiled by consultants for each type of model, would be collated and made available for councils to help make the final decisions.

The Council would discuss these varying models and business cases at Scrutiny on the 5th November and Full Council on 13th November before Cabinet on 19th November was due to take a final decision on Hyndburn's preferred option in time for the Government's deadline of 28th November.

Once final reorganisation was submitted, the Government would determine which proposals were more suitable to take forward for further consideration before a decision was made.

Statutory consultation with residents and stakeholders was expected to take place on these proposals in the New Year, after which sometime over the summer the minister would make a decision on the reorganisation model in Lancashire.

In 2027, the new unitary councils would be established and would initially operate in shadow form to ensure a smooth transition from existing local government status to the new one. Elections to the shadow authority were expected to take place in May 2027.

In April 2028, the new unitary authorities would officially go live assuming legal powers and representatives and all 15 original Lancashire local authorities would be abolished.

Lancashire County Council Funding Contributions

Hyndburn was one of the four districts to benefit from the Levelling Up East Lancashire programme and would benefit from two connected projects as part of the programme:

- Safer, Greener, Healthier Streets; and
- Public Transport Improvements.

Detailed information was now available about the two Safer, Greener, Healthier Streets projects in Hyndburn in the following locations:

- Woodnook; and
- Countess Street

The Public Transport Improvements would facilitate better travel between homes, jobs and services.

Further updates on these projects would be provided in the future.

Corporate Peer Challenge Review Visit

The Council recently welcomed back the Corporate Peer Challenge team, led by the Local Government Association, for a review visit. The council was very grateful to them for returning to assess progress and for the constructive feedback they had provided.

The team's written report was still awaited, which would set out their full assessment of progress since the main visit last year. However, the Leader was pleased to report that the verbal feedback received on the day was overwhelmingly positive.

The team had highlighted excellent progress on the Council's key strategic projects and noted how well these align with the new Corporate Strategy. They recognised that the structures in place, and the relationships between elected members, officers and the management team, were effective and provided the right space for discussion and debate to support strong decision-making.

They gave particular credit to the work the Council had undertaken on staff engagement this year, which was already delivering positive outcomes. Early results from the latest staff survey, which would be published shortly, suggested that staff really valued the changes that had been made.

They also recognised the Council's work on community cohesion, its communications with staff around local government reorganisation, and the progress being made on climate change and decarbonisation. The authority's transformation and digital work had also been highlighted as leading to real improvements in ways of working and in the Council's ability to deliver good services.

The team acknowledged that there was still more to do. Indeed, the Council's cross-party working group had driven an action plan, which set out a number of further steps, some of which were scheduled for later this year. The Council fully recognised this and was continuing to press ahead.

It was encouraging to hear that the team regarded the Council's direction of travel as positive, and that the work being undertaken was making a real difference for staff, members and communities.

Deputy Leader of the Council and Portfolio Holder for Housing and Regeneration

Councillor Melissa Fisher reported on the following:

Local Elections

In response to questions raised on social media, Councillor Fisher indicated that Hyndburn's Labour Party did not have any power to cancel the planned local elections next year. The controlling group was not aware of any such proposals, but if this was to be proposed the decision would come from the Government.

Wilson Sports Hub

The Cath Thom Leisure Centre, at the Wilson Sports Hub, was due to open in approximately one month's time. A time-limited membership offer of £29.99 (with the price locked in for a lifetime) for the first 200 applicants had been a complete sell-out. The offer had been designed to quickly build up a strong customer base. It was anticipated that the centre would be really successful and councillors were looking forward to its grand opening.

Portfolio Holder for Environmental Services

Councillor Stewart Eaves reported on the following:

King George V Playing Fields

Delivery of the project at King George V Playing Fields remained on target. Officers would be in touch with the contactors next week to finalise the date for the commencement of work on the building.

Deputy Leader of the Council and Portfolio Holder for Culture, Heritage and Sport

Councillor Kimberley Whitehead reported on the following:

Heritage Open Days

The national Heritage Open Days campaign would provide an opportunity to explore some of Hyndburn's most iconic heritage sites between 12th September and the National Manufacturing Day on 25th September 2025. Sites would include:

- Haworth Art Gallery;
- Accrington Stanley Football Club;
- Accrington Town Hall (Mayor's tour);
- and many others.

Councillors were invited to support these Open Days where they could.

Portfolio Holder for Business, Growth and Sustainability

Councillor Scott Brerton reported on the following:

Grants to Support Local Businesses

The grants scheme for businesses for a range of activities, including education and start up programmes, was going well.

Accrington Futures Event

The Accrington Futures Event was due to be held again on 3rd October 2025 at Accrington Stanley's Wham Stadium. Over one thousand students were expected to attend to speak directly with over 50 employers, training providers, colleges, certain industry experts, the Army and Police, to help them to make informed decisions about their future.

Hyndburn Jobs Fair

The successful Jobs Fair run in March 2025 would go ahead once again. The last event, run by the Council, had helped support 45 local businesses with their recruitment and had attracted over 2,000 visitors.

Business Workshops

The business workshops series had proved to be hugely successful and thanks were due to all those involved in their organisation.

Further workshops were planned over the coming months.

Portfolio Holder for Transformation and Town Centres

Councillor Clare Pritchard reported on the following:

Public Spaces Protection Order

The Council was currently consulting upon a proposed Public Spaces Protection Order (PSPO) covering Accrington town centre. The Order, if implemented, would allow the Council and Police to tackle anti-social behaviour and improve the quality of life for those who lived, worked, and visited Accrington. A survey was now live on the Council's website.

Levelling Up Projects

A preferred contractor had now been identified for the second phases (internal fit-out) of the levelling up projects at the Market Hall and at Burtons Chambers. A competitive procurement process had been undertaken to deliver the Phase 2 work and had resulted in the preferred contractor, Krol Corlett, based in Liverpool, Manchester and Preston, who had a strong track-record of refurbishment works. The Council would now work alongside Krol Corlett to conclude final matters before signing contracts, with works due to start later this month.

Leader of the Council

Councillor Munsif Dad BEM JP made a further announcement as follows:

Accrington Neighbourhoods Board

The Council was carrying out a recruitment exercise for a new Chair for the Accrington Neighbourhoods Board. An advertisement had been posted around six weeks ago initially for a period of three weeks, which had subsequently been extended. Six applications had now been received. The Leader of the Council and the local MP, Sarah Smith, would consider the applications and make a suitable appointment as soon as possible.

Councillor Whitehead clarified that she served on the Neighbourhood Board in her capacity as Deputy Police and Crime Commissioner for Lancashire, not as a borough councillor. She reminded councillors that the Chair of the Board was responsible for making the wider appointments to the Board, not the Leader of the Council. Councillor Dad added that the core membership of the Board comprised the following 5 representatives:

- a local councillor (Councillor Munsif Dad)
- the local MP (Sarah Smith MP)
- Police and Crime Commissioner (Deputy PCC - Kimberley Whitehead)
- a county councillor from Lancashire (CC Ashley Joynes)
- the independent Chair (currently being recruited)

The Board's membership was not dissimilar from that of the previous Town Centre Partnership Board, which had included then Conservative Leader of the Council and Conservative MP.

Councillor Zak Khan, Leader of the Opposition, commented on the announcements above, asked the following questions and received the responses as summarised below:

- **Local Government Reorganisation** – The questionnaire by the consultants was now live. What input did the Leader of the Council have into the survey and would the results be broken down into statistics showing the views of residents in each district council area?
Response: Councillor Dad indicated that all district leaders continued to meet to discuss reorganisation. The specifics of the survey had been delegated to the Lancashire Chief Executives Group to develop via the consultants. The consultants report would be available to the relevant Overview and Scrutiny Committee and the Council, but it was not yet known how the results would be presented. David Welsby, Chief Executive, added that the Chief Executives Group was due to meet tomorrow and the latter point would be raised with them.
- **Corporate Peer Challenge Review Visit** – The overall process had been useful and Councillor Khan had himself provided some feedback to the peers. He had appreciated the opportunity to be involved in the Member Working Group for the review. Would the Peer Challenge feedback be shared widely and would the Member Working Group continue?
Response: Councillor Dad indicated that the Peer Review final report was expected soon and would be shared. It was unclear yet whether the Member Working Group would continue, as this largely depended on what was highlighted in the report. There should be no new recommendations.
- **Wilson Sports Hub** – The imminent opening of the Leisure Centre and uptake of membership was good news. What level of membership was required to make the venture viable and was the 200+ take up enough?
Response: Councillor Fisher replied that there were some wider targets set around performance. She undertook to reply directly to Councillor Khan with further details. The Leader of the Council added that Hyndburn Leisure had been selected to operate the centre because of its good track-record of service delivery. The centre should be viable, given that its first target of 200 members had already been met.
- **Business Grants** – It was encouraging to note that take up of business grants was good. What metrics were used to evaluate success and when would the detail be reported?
Response: Councillor Brerton indicated that this was an on-going process, but that initial findings were positive. Ultimately, the Council could look at the number of jobs created and how much inward investment from other sources had been received. It was anticipated that the first progress report would be available soon.
- **Accrington Futures Event** – The involvement of schools in this event was welcomed.
Response: Noted.
- **Public Spaces Protection Order** – When would the PSPO go live and what evidence was there that this would help?
Response: This type of measure had been used previously by the Council and did work. The implementation date had not yet been determined, as the consultation would not expire until 30th September 2025.
- **Accrington Neighbourhoods Board** – Councillor Khan noted that the population of Hyndburn was around 80,000 and expressed a view that the recruitment process

had not been transparent. Would the selection of the independent Chair be determined by the Leader and MP alone?

Response: The Leader of the Council indicated that the application process had been open to all, but only six people had replied. He and the MP would carry out any interviews and select the best candidate for appointment to the role of Chair.

147 Process for the Development of the Revenue and Capital Budgets for 2026/2027

Members considered a report of Councillor Vanessa Alexander, Portfolio Holder for Resources and Council Operations, providing an update on the development of the Council's Revenue and Capital budgets for 2026/27 and outlining how current risks and assumptions were affecting the Medium-Term Financial Strategy (MTFS) for 2026/27 to 2028/29.

Councillor Alexander provided a brief introduction to the report, highlighting the purpose of the report, the main risks and pressures within the MTFS, the timetable for setting the Budget and the three financial models included in the MTFS.

Councillor Zak Khan expressed a view that the Fair Funding Review would have a devastating effect on the Council's finances and could reduce available resources by some £5m. He acknowledged that this was not a situation caused by the controlling group, but asked how they intended to deal with the consequences of any loss of funding. This was important because Hyndburn was the 16th most deprived district in England. He asked if this would mean an increase in Council Tax, the sale of assets and changes to business rates. He also offered to work with the controlling group to help to identify possible solutions.

The Leader of the Council indicated that the authority had responded to the Government's consultation on 15th August 2025 and had engaged with the MP to lobby on the Council's behalf. He considered that the figure of £5m quoted was incorrect and that any assumption that Council Tax would need to be raised beyond the referendum threshold was flawed. Notwithstanding the engagement undertaken with the Minister and MP, Cabinet members were already working to consider how best to produce a viable budget.

Councillor Alexander expressed the view that comments such as 'devastating' were not helpful, when communicating the current position to staff and the public, as the final financial implications were not yet known. The Government's provisional funding announcement would be made in November/December 2025. Councillor Pritchard and Whitehead also spoke about the importance of not sensationalising the situation and of their personal commitment to work to ensure the best financial situation possible for the residents of Hyndburn. Councillor Alexander summarised by stating that she had experience of dealing with funding reductions when necessary and that, in any event, there might be some transitional arrangements introduced to minimise the impacts.

Councillor Dad gave an undertaking to meet with Councillor Khan about this matter and reaffirmed that Cabinet members had already been considering potential solutions for the last few weeks.

Approval of the report was not deemed a key decision.

Reasons for Decision

The Council had approved its annual Revenue Budget for 2025/26 and the Medium-Term Financial Strategy (MTFS) for 2025/26 to 2027/28 at the Full Council meeting on 27th February 2025.

Since the budget had been approved, the Government had launched the Fair Funding Reform 2.0 consultation and had signalled a multi-year settlement from 2026/27. Early analysis suggested Hyndburn Council might be disproportionately affected.

Therefore, to ensure a credible and robust budget could be delivered for the forthcoming year, the Council had begun early work to develop its financial plans for 2026/27. This early start would allow sufficient time for Officers and Members to shape a budget that aligned with the Council's corporate priorities, explored a range of options, and responded to emerging risks and pressures.

The budget was a key financial planning tool that supported delivery of the Corporate Plan. It had to demonstrate value for money, be subject to robust scrutiny, and stand up to external audit. The Council's approach to budget development was a core component of the External Auditor's assessment of its Value for Money (VfM) arrangements.

A sustainable budget over the life of the MTFS was essential. Where savings were required, the Council must have a credible and deliverable plan in place. Achieving a balanced and sustainable financial position not only supported service delivery but also provided assurance to External Auditors and helped to avoid adverse commentary in the VfM report.

Key Risks and Pressures in the Medium-Term Finance Strategy

The main risks/pressures to be considered were as listed below, with a more detailed description as set out in the report:

- Fair Funding Review;
- Local Government Reorganisation (LGR);
- Capital Programme – Funding Risk;
- Crematorium/Cremators;
- Waste Disposal Site/Transfer Station;
- Hyndburn Leisure;
- Huncoat Garden Village;
- Future Revenue Costs for Levelling Up Fund Projects;
- Supported Housing - Housing Benefit Claims; and
- Posts Funded from Reserves or External Grants.

Assumptions for the Medium-Term Financial Strategy

The Medium-Term Financial Strategy for Hyndburn Borough Council presented three scenarios:

- **Standard** – the most likely outcome for the year.
- **Pessimistic** – a “worst case” scenario.
- **Optimistic** – a “best case” scenario.

Given how early it was in the budget setting process and the unknowns at this point, (e.g. there were no indications of changes in Government funding yet) these scenarios could differ significantly at this stage.

There were several assumptions which were used as part of producing the budget. The estimates to be used in the construction of the budget were set out below:

Pay Award

The agreed pay award for 2025/26 was 3.2% for Hyndburn Borough Council, which was 0.2% over the budget and resulted in additional costs of c.£27k p/a. For financial modelling purposes, a 2.5% increase would be assumed in the standard scenario, with 4.0% used in the pessimistic case and 1.0% in the optimistic case.

Inflation

The Consumer Price Index (CPI) rose by 3.6% in the 12 months to June 2025. As inflation varied across cost types, utility cost forecasts would be calculated separately and were addressed below. For general inflation modelling, a rate of 3.0% would be used in the standard scenario, with 5.0% in the pessimistic case and 2.0% in the optimistic case.

Utilities

The Council had entered a new energy contract in October 2025, which ran until September 2027. While this provided short-term price stability, future costs remained uncertain due to potential market volatility and unpredictable usage patterns. To reflect this, inflation for gas and electricity would also be modelled at 3.0% in the standard scenario, 5.0% in the pessimistic case and 2.0% in the optimistic case.

Sales, Fees and Charges

The Council charged customers for a range of services, and the cost of delivering these was expected to rise due to inflation and pay awards. To help offset these pressures, it was considered prudent to increase fees accordingly. In the standard scenario, a 3.0% increase in fees and charges would be assumed, consistent with general inflation. In the pessimistic scenario, a lower increase of 1.0% would be assumed, reflecting potential constraints on the Council's ability to raise charges. In the optimistic scenario, a 4.0% increase would be assumed, reflecting greater flexibility and demand.

Following the recent Corporate Peer Challenge, the Council was reviewing its Sales, Fees and Charges income targets and developing a strategy for inclusion in the Medium-Term Financial Strategy. This might include increasing existing charges or introducing new ones, subject to the outcome of the Fair Funding Reform consultation.

Government Grant Income

As previously mentioned, the Fair Funding Review (FFR 2.0) was expected to significantly impact Hyndburn Borough Council, primarily through a reduction in retained business rates income. The Council was working with LG Futures to model the potential financial implications of these changes.

In the standard scenario, a reduction of £1.75m was anticipated over the three-year multi-year period, phased with two-thirds of the reduction occurring in 2026/27 and the remaining third in 2027/28. A flat cash position was assumed for 2028/29.

In the optimistic scenario, the same phasing applied but with a reduced overall impact of £1.5m. The pessimistic scenario assumed a larger reduction of £2.0m over the same period.

A consultation response outlining the impact on Hyndburn and district councils more broadly had been submitted in August. The Government was expected to publish early

funding indications in November, followed by the provisional settlement and policy statement in December.

Income from Business Rates

Hyndburn Borough Council currently retained 40% of locally collected business rates and participated in the Lancashire Business Rates Pool, which allowed for a more efficient distribution of growth and risk across participating authorities.

However, due to the funding reset outlined in the Fair Funding Review (FFR 2.0), the future of the pooling arrangement remained uncertain. Any assumptions regarding future business rates income, including potential reductions, had already been incorporated into the funding scenarios detailed above.

Income from Council Tax

The main area of income over which the Council had direct control was Council Tax. As the billing authority, Hyndburn Borough Council was forecasting to collect a total of £52.748m in Council Tax during the 2025/26 financial year. Of this, only £6.141m (11.64%) was retained by Hyndburn, with the remainder distributed to Lancashire County Council, the Lancashire Police and Crime Commissioner, and Lancashire Fire and Rescue Service as precepting authorities.

Increases in Council Tax income was driven by two key factors:

- **Changes in the Council Tax base:** Each year, the Council calculated its tax base, which reflected the number of chargeable domestic properties, adjusted for discounts (e.g. single person discount) and Council Tax Support. This figure was converted into Band D equivalents to standardise comparisons. Growth in the tax base could result from new housing developments or bringing empty properties back into use. For Hyndburn, growth had been modest in recent years, with an increase of just 0.31% in 2025/26.
- **Changes in the Council Tax rate:** Each year, the Council decided whether to increase the rate of Council Tax it charged. Central Government set a referendum threshold, which limited how much councils could increase rates without triggering a local vote. In recent years, this had been 2.99% for district councils like Hyndburn, and 4.99% for upper-tier and unitary authorities.

The assumptions to be used for changes in Council Tax income in the revenue budget were as set out below:

	Pessimistic	Standard	Optimistic
Growth in Council Tax Base	0.31%	0.66%	1.13%
Increase in Council Tax Rate	1.00%	2.99%	2.99%

Council Tax Base

Under the Council's draft Local Plan, it was estimated that an additional 201 domestic properties would be built each year. When converted to Band D equivalents, this equated

to 146 properties, representing a 0.66% increase in the Council Tax Base. This assumption formed the basis of the standard scenario.

The Government had introduced new annual housebuilding targets for each borough, with Hyndburn's target set at 313 properties per year. This converted to approximately 250 Band D equivalents, resulting in a 1.13% increase in the Council Tax Base. This assumption underpinned the optimistic scenario.

The pessimistic scenario reflected the growth provided in 2025/26 and assumed a modest growth rate of 0.31%, equating to 69 Band D equivalents or approximately 94 new domestic properties.

The estimated annual increase in Council Tax income, before any changes to the tax rate, was:

- Pessimistic (0.31%) – £19,076
- Standard (0.66%) – £40,363
- Optimistic (1.13%) – £69,115

Council Tax Rate

The table below showed the current Council Tax charges per annum for each Council Tax band and the annual increase on each band across the three MTFS scenarios, ie. 1.00%, 2.99% and 2.99%:

Council Tax Band	2025/26 Charge	Increase of 1.00% (Pessimistic)	Increase of 2.99% (Standard)	Increase of 2.99% (Optimistic)
Band AA	153.59	155.13	158.18	158.18
Band A	184.31	186.15	189.82	189.82
Band B	215.02	217.17	221.45	221.45
Band C	245.74	248.20	253.09	253.09
Band D	276.46	279.22	284.73	284.73
Band E	337.90	341.28	348.00	348.00
Band F	399.33	403.32	411.27	411.27
Band G	460.77	465.38	474.55	474.55
Band H	552.92	558.45	569.45	569.45

The total changes in Council Tax income for each of the increases in the table above, before any growth in the Council Tax base were:

- Increase of 1.00% (Pessimistic) - £61,170 additional income ;
- Increase of 2.99% (Standard) - £183,288 additional income;
- Increase of 2.99% (Optimistic) - £183,288 additional income.

Total Council Tax Income

The table below showed the overall Council Tax Income which would be assumed under the three scenarios:

	2025/26	Pessimistic	Standard	Optimistic
Hyndburn BC Council Tax Income	£6,127,200	£6,207,600	£6,290,900	£6,381,700
Increase in Council Tax Income from 2025/26		£ 80,400	£ 163,700	£ 254,500

The assumptions mentioned above would be used initially and adjusted as appropriate once more certain information became available.

Revenue Budget Timetable

The Council's budget-setting timetable was influenced by the approval schedules of major Council Tax precepting authorities, such as Lancashire County Council. Hyndburn Borough Council's draft budget would be presented to Cabinet on 18th February 2026, with final approval scheduled for the Council meeting on 26th February 2026.

The timetable set out below ensured that the Council would meet its legal budget setting deadlines:

Action	Date
Process for the development of the budget report presented to Cabinet	10 Sept 2025
Finance Cabinet Working Group	02 Oct 2025
Initial Medium Term Financial Strategy report presented to Cabinet	22 Oct 2025
Finance Cabinet Working Group	04 Nov 2025
Provisional Finance Settlement expected to be published by Central Government (date to be confirmed)	Nov 2025
Finance Cabinet Working Group	02 Dec 2025
Council Tax Base Setting report approved by Cabinet	21 Jan 2026
Finance Cabinet Working Group	13 Jan 2026
Final Finance Settlement expected to be published by Central Government (date to be confirmed)	Feb 2025
Draft Medium Term Financial Strategy & Revenue Budget reports presented to Resources Overview and Scrutiny Committee	16 Feb 2026
Draft Medium Term Financial Strategy & Revenue Budget reports presented to Cabinet	18 Feb 2026
Final Medium Term Financial Strategy & Revenue Budget reports agreed by full Council	26 Feb 2026

Capital Budget Timetable

At the same Council meeting in February 2026, the Capital Programme for 2026/27 would be approved.

The timetable for the development of the Capital Programme was as set out below:

Action	Date
Process for the development of the budget report presented to Cabinet	10 Sept 2025
Capital Programme bidding process begins	27 Aug 2025

Deadline for submission of Capital Programme bids	30 Sept 2025
Finance Cabinet Working Group	02 Oct 2025
Finance Cabinet Working Group	04 Nov 2025
Finance Cabinet Working Group	02 Dec 2025
Finance Cabinet Working Group	13 Jan 2026
Draft Capital Budget report presented to Resources Overview and Scrutiny Committee	16 Feb 2026
Draft Capital Budget report presented to Cabinet	18 Feb 2026
Final Capital Budget report approved by full Council	26 Feb 2026

There were no alternative options for consideration or reasons

Resolved

- That Cabinet:

- (1) Notes the key risks and pressures to the delivery of the budget in 2025/26. These issues will continue to be monitored and reported through the regular Budget Monitoring updates presented to Cabinet.**
- (2) Approves the assumptions outlined in Section 5 of the report, which will be incorporated into the Medium-Term Financial Strategy (MTFS) updated for 2026/27 to 2028/29, to be presented to Cabinet in October.**
- (3) Notes the timetable set out in Section 6 of the report for the development of the Council's Revenue Budget for 2026/27.**
- (4) Notes the timetable set out in Section 7 of the report for the development of the Council's Capital Budget for 2026/27.**

With the agreement of the meeting, Agenda Item 8 was taken next.

148 Additional Climate Funding

The Cabinet considered a report of Councillor Stephen Button, Chair of the Communities and Wellbeing Overview and Scrutiny Committee, setting out a recommendation of that committee that, during planning for the Council's budget for 2026-27, Cabinet give consideration to extending the Council's Climate budget in order to facilitate the Council's ability to achieve its net zero targets.

Councillor Button provided a short introduction to the report, in which he outlined the information provided to the Communities and Wellbeing Overview and Scrutiny Committee, including the significant progress made to date in meeting the Council's net zero targets, but highlighting that progress had now slowed as much of the initial funding had now been used up.

Councillor Brerton thanked the Committee for its recommendation. He had attended that meeting and the debate had been very positive, recognising the Council's achievements so far. Some large projects had already been completed and the authority was widely regarded 'as punching above its weight'. The funding question could not be answered today, as there was a lengthy Budget process to go through. However, the suggestion would be considered positively at the appropriate time. Councillor Alexander thanked Councillor Button for his report and provided an assurance that the proposal would be on the table during the Cabinet's Budget deliberations.

Approval of the report was not deemed a key decision.

Reasons for Decision

A Communities and Wellbeing Overview and Scrutiny Committee had been held on 14th July 2025 and had been consulted on the 'Draft Climate Strategy and Action Plan' and updated on the Hyndburn wide CO₂ emissions and the Council's transition to Carbon Net Zero. The Committee had been informed of the importance of limiting global warming to 1.5°C or staying well below 2°C to try to achieve pre-industrial levels and to achieve a 7.6% annual reduction in carbon emissions that would be required to achieve net zero targets. The Committee considered that further funding would be required to achieve its net zero targets and had made a recommendation that Cabinet give consideration to providing additional funding for the Climate Action Fund during its budget planning process.

In September 2019 Hyndburn Borough Council had declared a climate emergency and had committed to reaching net zero carbon emissions by 2030. This pledge comprised a series of recommendations to help limit global warming.

One Carbon World had carried out a carbon footprint study between 2020 and 2023 and an initial review had indicated the Council's buildings were responsible for some 75% of its operational carbon emissions and the highest priority was to decarbonise energy usage, particularly from gas. The Council had set aside a £1m climate reserve pot to help to achieve Hyndburn's target to make the Council's activities net zero carbon by 2030. The Council had been very proactive and had made great advances in reducing the Borough's carbon emissions. Since 2019 carbon emissions had been reduced by 55% by decarbonising the Council's building stock, procuring renewable energy tariffs, replacing diesel within the vehicle fleet with hydro veg oil and working towards sustainability, carbon capture and offsetting and habitat creation through various projects.

The climate reserve pot had also been used to appoint two officers, a Home Energy Reduction Officer and a Natural Spaces Project Officer over a 3 year period and both had contributed to the Council's successes in reducing or offsetting carbon emissions.

However, there had been a plateauing in the reduction of carbon emissions and without further funding the Council would be limited in how much more it could achieve and it might not be able to meet the 2030 net zero target. The Council had completed much of its work in decarbonising its Council buildings and many of the natural solution programmes delivered by external organisations were due to be completed within the next couple of years. As such, there was going to be a greater reliance on working towards net zero through a range of new smaller projects.

The Council's vision for a sustainable future was identified within the Corporate Strategy and focused on: Making the Council's Activities and Operations Net Zero by 2030, reducing fuel poverty – Home Energy Efficiency and Green Open Spaces and the Natural Environment to balance growth with sustainability.

Alternative Options considered and Reasons for Rejection

The Council could decide to provide no additional funding, but this would limit the Council's ability to achieve its target of net zero by 2030.

- Resolved**
- **That Cabinet notes the recommendation of the Communities and Wellbeing Overview and Scrutiny Committee that it should consider additional funding for the Climate Action Fund as part of its preparations for the 2026/27 Budget.**

149 Exclusion of the Public

- Resolved**
- **That, in accordance with Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during the following item, when it was likely, in view of the nature of the proceedings that there would otherwise be disclosure of exempt information within the Paragraph at Schedule 12A of the Act specified at the item**

150 Telecommunications Mast at Harvey Street Oswaldtwistle

In accordance with Regulation 5(6)(a) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, approval was granted by Councillor Stephen Button, Chair of the Communities and Wellbeing Overview and Scrutiny Committee, to the following decision being made by Cabinet on 10th September 2025, in private, on the grounds that the decision was urgent and could not reasonably be deferred. A notice to this effect had been published on the Council's website.

Exempt information by virtue of Paragraph 5 - In respect of which a claim to legal professional privilege could be maintained in legal proceedings.

Members considered a report of Councillor Munsif Dad BEM JP, Leader of the Council, updating Cabinet on a decision taken, following consultation with the Leader, in connection with resisting the proposed erection of a telecommunications mast on land at Harvey Street, Oswaldtwistle.

Councillor Dad provided a brief explanation of the Council's position as outlined in the report and indicated that Sarah Smith MP also supported this stance. Councillors Whitehead and Khan also placed on record their support for the actions as described.

Approval of the report was not considered to be a key decision.

Reasons for Decision

The reasons for the decision were set out in the exempt report.

Alternative Options Considered and Reasons for Rejection

The alternative options considered and reasons for rejection were set out in the exempt report.

Resolved

- That the recommendations as set out in the exempt report be approved.

151 Disposal of Elmfield Hall and External Areas to Community Solutions North West Limited

In accordance with Regulation 5(6)(a) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, approval was granted by Councillor Stephen Button, Chair of the Communities and Wellbeing Overview and Scrutiny Committee, to the following decision being made by Cabinet on 10th September 2025, in private, on the grounds that the decision was urgent and could not reasonably be deferred. A notice to this effect had been published on the Council's website.

Exempt information by virtue of Paragraph 3 - Relating to the financial or business affairs of any particular person (including the authority holding that information)

Members considered a report of Councillor Munsif Dad BEM JP, Leader of the Council, seeking approval for the grant of a new lease of Elmfield Hall and associated outbuildings and land to Community Solutions North West Limited on the basis set out in the report.

Councillor Dad indicated that the Labour Group continued to support community groups in the Borough and that both Community Solutions North West and the Green Spaces Forum should benefit from the arrangements proposed. Councillor Whitehead echoed these comments and highlighted what could be achieved when partners worked closely together.

Councillor Khan also mentioned that he supported these arrangements and added that he and Councillor Addison had met with representative of the lessee today, who had been complimentary about the work of the Council's officers to reach this solution. He asked what assistance might be available to community sector organisations who were having difficulties meeting the terms of a lease and if any protection for lease-holders could be built into those arrangements beyond the life of this Council. Leader responded that community organisations could discuss any financial issues with the Council. Cabinet members also agreed to look into the question of ensuring security of tenure for leaseholders following local government reorganisation.

Approval of the report was not considered to be a key decision.

Reasons for Decision

The reasons for the decision were set out in the exempt report.

Alternative Options Considered and Reasons for Rejection

The alternative options considered and reasons for rejection were set out in the exempt report.

Resolved

- That the recommendations as set out in the exempt report be approved.

152 Disposal of 3 and 5 Abbey Street, Accrington

In accordance with Regulation 5(6)(a) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, approval was granted by Councillor Noordad Aziz, Chair of the Resources Overview and Scrutiny Committee, to the following decision being made by Cabinet on 10th September 2025, in private, on the

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CABINET WASTE AND RECYCLING GROUP

Tuesday, 30th September, 2025

Present: Councillor Stewart Eaves, Munsif Dad, Steven Smithson, Ethan Rawcliffe

Apologies Councillor Kimberley Whitehead

1 Apologies for Absence and Substitutions

Apologies were given for Councillor Kimberley Whitehead, Councillor Ethan Rawcliffe substituted for the meeting.

2 Minutes of the Last Meeting

The Minutes of the last Cabinet Waste and Recycling Group held on the 6th of March 2023 were submitted for approval as a correct record.

Resolved – That the minutes be received and approved as a correct record.

3 Food Waste Update

Food Waste Update Mr Craig Haraben, (Head of Environmental Services), referenced the Cabinet report from the 11th of June 2024 meeting and advised that since the report was issued things had progressed in preparation for food waste collections to start.

Mr Haraben advised the group that the planned start date for the food waste collections would be the 1st of April 2026 or the nearest Monday to this date.

Each house in the Borough will receive an outside caddy, an inside caddy and specialist bags for the inside caddy.

The outside and inside caddies had been ordered and are due for delivery in January 2026, and the caddy liners are due to be ordered by the 10th of October 2025.

The new vehicles which will be used for food waste collections were ordered in March 2025 and are due for delivery from 1st of March 2026 onward.

Mr Haraben informed that there is a Lancashire wide communications group who are centralising all the media information in regards to food waste so that everyone gets the same message.

This will be a multi-media approach with leaflets, videos and social media posts to name a few examples.

Mr Haraben advised that we are on track to meet the 1st of April 2026 target.

Resolved – The group noted the report.

4 Any Other Business

Councillor Munsif Dad (Leader of the Council) asked if any update had been given on where residual waste would be tipped and treated from the 1st of April 2026.

Mr Haraben informed that no decision had been made as of yet, but Lancashire County Council had gone to tender for Hyndburn and a number of other areas who were without waste sites.

Councillor Steven Smithson asked Mr Haraben about Hyndburn recycling rates. Mr Haraben informed that our dry recycling rates were 26%, which is the highest in Lancashire and 6% for green waste which is low but understandable as over half of Hyndburn's housing stock is terraced properties with no gardens.

5 Date of the Next Meeting

Date of the Next Meeting of the Cabinet Waste and Recycling Group will next meet on the 7th of April 2026 at 4pm.

Signed:.....

Date:

Chair of the meeting
At which the minutes were confirmed

REPORT TO:		Cabinet	
DATE:		22 October 2025	
PORTFOLIO:		Councillor Munsif Dad BEM JP - Leader of the Council	
REPORT AUTHOR:		Policy Manager	
TITLE OF REPORT:		Local Government Peer Challenge Progress Review	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	No	Not applicable	
KEY DECISION:	No	If yes, date of publication:	

1. Purpose of Report

- 1.1. To inform Cabinet on the [findings](#) of the LGA Corporate Peer Challenge Progress Review (*Appendix 1*).
- 1.2. To thank the LGA team for their time and encouragement at the current direction of travel.

2. Recommendations

That Cabinet:

- 2.1. note the contents of this report
- 2.2. thank the LGA Peer Review team for their work

3. Reasons for Recommendations and Background

- 3.1. In October last year, the Council invited a team of senior local government councillors and officers to undertake a Local Government Association Corporate Peer Challenge ("CPC").
- 3.2. Following the original visit, an action plan was produced by the Council based on the CPC's 10 recommendations.
- 3.3. A progress review took place on Thursday 4 September 2025, focusing on the original 10 recommendations and the Council's action plan. To support this review, the Council produced a position statement based on the action plan that set out progress to-date and intended future actions.

- 3.4. The purpose of the progress review was to receive feedback from the CPC inspection team on the early progress made by the Council in implementing the action plan, consider the team's' reflections on any new opportunities or challenges that may have arisen and discuss any early impact or learning from the progress made to date.
- 3.5. The Council's senior leadership team and political leadership were interviewed as part of the review and received feedback at the end of the process. The process also included 1-2-1 meetings/phone calls with the Head of Policy & OD and the Digital & Transformation Lead, plus a further four focus groups with the leader and deputy leader of the opposition, Cabinet members, Chairs of Audit & Scrutiny Committees, and other managers and staff. This work was supported by the following members of the original peer team.
- Ian Miller, Chief Executive, Wyre Forest District Council
 - Dominic Bradley, Director of Resources, Horsham District Council
 - Anne Brinkhoff, Peer Challenge Manager, Local Government Association Associate

4. Findings and Recommendations

- 4.1 The CPC team presented their [main findings and recommendations](#) verbally to the Council on their final day and have now provided a formal report based on the visit.
- 4.2 The team acknowledged that since the original CPC, the Council's context has significantly changed with the prospect of local government reorganisation ("LGR") and the Fair Funding Review 2.0, both of which have created uncertainties and are absorbing significant officer and member capacity.
- 4.3 The team highlighted excellent progress on the Council's key strategic projects and noted how well these align with the Council's new Corporate Strategy. They recognised that the structures in place, and the relationships between elected members, officers and the management team, are effective and provide the right space for discussion and debate to support strong decision-making.
- 4.4 They gave particular credit to the work the Council has undertaken on staff engagement this year, which is already delivering positive outcomes. Early results from our latest staff survey, which will be published shortly, suggest that staff really value the changes that have been made.
- 4.5 They also recognised the Council's work on community cohesion, its communications with staff around local government reorganisation, and the progress being made on climate change and decarbonisation. The Council's transformation and digital work was also highlighted as leading to real improvements in ways of working and in our ability to deliver good services.
- 4.6 The team acknowledged that there is still more to do and indeed, the Council's action plan sets out a number of further steps, some of which are scheduled for later this year. The Council recognises that there is further work to do and will continue to press ahead.
- 4.7 Below is a summary of the key findings of the report, categorised by the themes set out in the original recommendations report:

4.8 Strategic Leadership and Governance

- 4.8.1 The team noted that a revised Corporate Strategy was approved by the Council in July 2025, providing a clear and focused framework for delivery, including a new priority around embracing the opportunities of devolution. Relationships between Cabinet and the Corporate Management Team (CMT) have continued to strengthen, supported by improved communication and more structured engagement. The Accrington Neighbourhood Board has been established to lead delivery of new Government-funded regeneration, and work is underway to develop a four-year plan that aligns closely with existing town centre priorities.

4.9 Delivery of Major Projects

- 4.9.1 The review praised how the Council continues to make strong progress on its key strategic projects. Phase 1 of the Accrington Town Square project is nearing completion, significant steps have been taken in advancing the Huncoat Garden Village scheme, and the Wilson Sports Village is on track to open in October 2025. The Culture and Heritage Strategy has been launched, supported by UK Shared Prosperity Funding, and the Local Plan 2040 has been submitted for inspection. These, they noted, demonstrate the Council's continued momentum on regeneration and place-making, despite broader capacity pressures.

4.10 Organisational Development and Staff Engagement

- 4.10.1 The team observed that the Council is placing significant emphasis on supporting its workforce, with a review of skills and capacity underway to ensure both continuity and preparedness for future opportunities within any new unitary arrangements. The team identified that the recent staff survey produced very positive feedback, and internal communications had been strengthened through regular updates, increased visibility of senior leadership, and a revitalised staff engagement group. The team reported that a clear commitment to training, and development is evident and well received by staff.

4.11 Financial Planning and Sustainability

- 4.11.1 The Council has undertaken detailed modelling to understand the potential impact of the Fair Funding Review 2.0, which has helped to inform recent Cabinet discussions and shape the approach to the 2026/27 budget process. The team acknowledged that while there is still some uncertainty, the Council is taking proactive steps to manage this risk, including identifying potential one-off mitigations and exploring income generation opportunities. The LGA review supports these efforts and encourages the continued development of a longer-term, sustainable financial strategy that builds on the foundations already in place.

4.12 Capital Programme Oversight

- 4.12.1 The review found that good progress had been made in generating capital receipts and moving projects forward. The team identified an opportunity to further enhance reporting on the capital programme to support members' oversight and decision-

making. Discussions are ongoing within officer groups and Cabinet briefings to ensure reporting aligns with best practice.

4.13 Audit and Governance Arrangements

4.13.1 Changes to strengthen the independence of the Audit Committee were welcomed by the review, including the removal of Cabinet members. The team noted member training was progressing well and flagged that the appointment of independent co-optees should remain a priority. This would further strengthen governance arrangements and ensure the Committee continues to meet the highest standards of transparency and accountability.

4.14 Digital Transformation and Modernisation

4.14.1 The team assessed that the appointment of a dedicated Digital and Transformation Manager had enabled real progress on ICT modernisation, including device upgrades, infrastructure improvements and steps towards cloud-based working. These changes are laying the groundwork for more agile ways of working and aligning the Council with wider developments across Lancashire in preparation for LGR. While the review recognised the scale of what has already been achieved, they noted that there was scope to accelerate delivery further as resources allow, to maximise the benefits of transformation more quickly.

4.15 Climate Action and Community Engagement

4.15.1 The team highlighted that the Council's continued leadership on climate change and community cohesion remains a strength. The LGA highlighted several innovative projects and noted the alignment between the Council's draft Climate Strategy and its wider corporate objectives. The Council's proactive approach to community relations and visible leadership, particularly in promoting cohesion and inclusion, continued to be well regarded.

5 Thank you to the LGA Peer Review team

5.1 The Council extends its thanks to the LGA Corporate Peer Review Team for their time, expertise, and constructive challenge during the recent review. Their input is greatly appreciated and will help inform our ongoing improvement work.

6. Alternative Options considered and Reasons for Rejection

6.1 NA

7. Consultations

7.1 N/A

8. Implications

Financial implications (including any future financial commitments for the Council)	None for this report. Implementing some elements of the action plan may have cost implications and these will be considered on a case by case basis as they arise.
Legal and human rights implications	N/A
Assessment of risk	N/A
Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	None specifically for this report. The CPC report details some observations / suggestions regarding equality and diversity and this will be picked up, where relevant, as part of the action plan.

9. Local Government (Access to Information) Act 1985: List of Background Papers

- Cabinet Report 22 January 2025 - LGA Corporate Peer Challenge Report and Action Plan
<https://democracy.hyndburnbc.gov.uk/documents/s20808/CPC%20Report%20Cabinet%20-%20Main%20Report.pdf>
- Cabinet Report 26 March 2025 - LGA Corporate Peer Challenge Action Plan
<https://democracy.hyndburnbc.gov.uk/documents/s21292/LGA%20CPC%20Action%20Plan%20-%20Main%20Report.pdf>

10. Freedom of Information

- 10.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.

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1. Introduction

Hyndburn Council undertook an Local Government Association (LGA) Corporate Peer Challenge (CPC) from 29- 31 October 2024 and promptly published the full report with an action plan. Supporting transparency, a copy of the council's CPC report and action plan are readily available on the council's website on the following link: [Performance and Statistics | Hyndburn Borough Council](#)

The Progress Review is an integral part of the Corporate Peer Challenge process. Taking place approximately ten months after the CPC, it is designed to provide space for the council's senior leadership to:

- Receive feedback from peers on the early progress made by the council against the CPC recommendations and the council's RAG rated CPC Action Plan.
- Consider peers' reflections on any new opportunities or challenges that may have arisen since the peer team were 'on-site' including any further support needs
- Discuss any early impact or learning from the progress made to date
- Better understand any changes in context which may affect the council's progress or alter previously developed plans.

The LGA would like to thank Hyndburn for their commitment to sector led improvement and for the time and preparatory work which they invested into this process. This Progress Review was the next step in an ongoing, open and close relationship that the council has with LGA sector support.

2. Summary of the approach

The Progress Review at Hyndburn took place onsite on Thursday 4 September 2025. This work focused on the original 10 recommendations from the CPC. To support joined-up conversation at a strategic level rather than focusing on the transactional tasks of the council, these recommendations were aggregated into the following themes and headings:

- Strategy and leadership (including corporate strategy, place strategy and organisational leadership and relationships)
- Organisational development and communication (including review of

organisational structure, engagement with the sector and learning)

- The council's corporate core (including effective decision making, digital transformation and income generation)

To support this review the council developed an update to their action plan that set out their progress to-date and intended future actions. For this review, the council brought together their senior leadership team and political leadership to provide a presentation on their update, with these representatives receiving feedback at the end of the process. The process also included seven 1-2-1 meetings/phone calls with the council Leader, Chief Executive, Directors, Head of Policy & OD and the Digital & Transformation Lead, and a further four focus groups with the leader and deputy leaders of the opposition, Cabinet members, Chairs of Audit & Scrutiny Committees, and managers and staff. This work was supported by the following members of the original peer team.

- Ian Miller, Chief Executive, Wyre Forest District Council
- Dominic Bradley, Director of Resources, Horsham District Council
- Anne Brinkhoff, Peer Challenge Manager, Local Government Association Associate

3. Progress Review - Feedback

Out of the CPC's ten recommendations, the council's RAG rated Action plan reports that 100 per cent of actions are either completed (20 per cent) or in progress (80 per cent).

There has been good progress in many areas. Since the original CPC, the council's context has significantly changed with the Local Government Reorganisation (LGR) and the Fair Funding Review 2.0, both of which have created uncertainties and are absorbing significant officer and member capacity.

The council has achieved significant progress on its major strategic projects, with momentum continuing. Work on the initial Phase 1 state of the Accrington Town Square project is now complete or nearly so, including works to repair and restore the building fabric on two key heritage buildings: Burton Chambers and the Market Hall. There is good progress with the enabling works for the Huncoat Garden Village project with the validation of a full planning application for the proposed residential

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relief road in April 2025 and further complex enabling works to acquire the land for the construction of the relief road. The new Wilson Sports Village is scheduled to open to the public in October 2025 and will be managed by Hyndburn Leisure.

The council launched its new Culture and Heritage strategy earlier this year, setting out a clear and ambitious plan for how culture, creativity and local heritage will shape the borough's future over the next five years. Developed by the Culture and Heritage Investment Panel, with input from residents, artists, local organisations and national funders, the strategy celebrates everything that makes Hyndburn distinctive. The council is investing some of its UK Shared Prosperity Fund to build capacity for this strategy to be delivered. Hyndburn's New Local Plan 2040 was submitted to the Planning Inspectorate for examination in March 2025 with examination in public scheduled to start later in September 2025. These projects and strategies are creating an important legacy for the council in the context of LGR.

The council continues its strong focus on supporting its staff and is stepping up its efforts in the run up to LGR and the need to meet key government deadlines including detailed proposals to be submitted to government on 28 November 2025. Results from the recent staff survey are positive with very high percentages of staff who responded to the survey being satisfied with their job and feeling valued and supported in what they do. The survey is managed by the staff engagement group who will also devise and oversee a plan of action. This inclusive process highlights good levels of trust between senior managers and staff and is likely to strengthen engagement further. This work will provide an important foundation for the organisation in working through the LGR process, it would be a natural development for this work to progress and consider any personal support, training, and communication that staff may need over the coming months.

Detailed work using external financial modelling experts to establish the potential impact of the Fair Funding Review 2.0 has been undertaken and submitted to Government as part of the consultation response. This has also been reported at a summary risk level in the Cabinet report of 10 September 2025 about the revenue and capital budget setting process for 2026/27. This work will feed into the October Cabinet report about the MTFS 2026/27 to 2028/29 which will spell out the risks in more detail .

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Compounding this, the February 2025 MTFS had indicated that there would be growth in funding, so the gap could be as large as £2m in the worst-case scenario.

Some sources of funding have been identified from other grants and a review of reserves that could be repurposed to plug the gap in the short term which will help buy time to put together and evaluate different income and expenditure options that might have to be taken to reduce the ongoing gap in funding. Discussions have been had with the Cabinet Member for Finance and the wider Cabinet. This work should prove helpful to have in place as the detail of the funding is only likely to be understood when the draft Financial Settlement is issued in mid to late December 2025. However, the Peer Team suggest that a more sustainable approach to raising income or reducing expenditure is undertaken, as reserves and one-off grant incomes can only be spent once.

Changes to remove Cabinet Members from the Audit Committee were made, and some training sessions have been held before Audit Committee meetings to help the members understand their roles better. Completing this training across all topics remains important. Disappointingly, the two independent co-opted Members of the Audit Committee have still yet to be appointed.

The statutory officers (Chief Executive, Director of Finance and Monitoring Officer) are now dedicating time after management team meetings to get together to discuss statutory issues and noting their meetings where there are key concerns. These are being well led and managed by the Chief Executive.

Performance reporting has much improved, with a deep dive into the key indicators from one theme being taken to the Resources Overview and Scrutiny Committee each meeting, allowing more time to scrutinise in that area. Benchmarking to data across Lancashire is also being undertaken. As the council repeats this process on a regular basis, the organisation will benefit from the increased discussion, use, and application of this performance data across service areas.

Although £21m for the Huncoat Village has been re-profiled into a future year, capital programming remains weak, with a 100% forecast that the remaining £30.8m will be spent before 31 March 2025. Whilst a review of the capital programme is undertaken at Capital Programme Working Group, this is not a public meeting and the key outcomes from this are not shared at Cabinet. The report to Cabinet is not RAG

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rated, nor did it offer any commentary on any of the line items to say how and when key items will progress and why there might be any internal or external delays. Further improvements to the capital programme reporting should be implemented.

Furthermore, £0.84m of the capital programme remains unfunded, albeit that £1m has been generated from capital receipts since the initial peer review was undertaken and progress is being made on disposal options which reduces the risk of this happening.

Community cohesion remains of critical importance, particularly in line with the current political focus and public interest on asylum and immigration. In our CPC report last October, the team commented very positively on the council's focus and its formal and informal work in building relationships and supporting and running events that bring together people from different cultures to celebrate the borough's diversity. This strategy has served Hyndburn well. It remains important to continue to build and invest in embedding engagement with local communities, creating multiple points of contacts and gateways and flexible yet robust community tension monitoring. Compassionate and visible leadership from councillors and senior officers collectively and individually remains critical.

3.1. Progress Theme: strategy and leadership

This theme considers the progress made by the council regarding recommendations on the council's corporate and place strategy, leadership and relationships. These recommendations are available in full in the council's original CPC, and have been summarised below:

- Conduct the planned review of the corporate strategy (R1)
- Develop effective relationships with Cabinet/CMT as a group (R2)
- With partners, lead the development of a vision for the whole borough (R3)

A new corporate strategy was approved in July 2025 by Council with cross-party support. Whilst many of the priorities and actions outlined are a continuation, others are new. A fourth priority has been added (embrace the opportunities of devolution) following the significant announcement from Government around devolution and LGR. This provides a clear strategy framework for delivery.

Relationships between Cabinet and the CMT have strengthened considerably, and we heard about high levels of trust overall. Much of this has come about by the recent review of the strategic projects which provided an opportunity to grow working relationships and for Cabinet to discover and appreciate the expertise and experience of their senior team. The Peer Team also heard about positive 1:1 relationships between managers and their Cabinet portfolio holders. The introduction of monthly Cabinet briefings is important to create informal space for open discussions and the opportunities to voice disagreements and provide challenge to each other. There are regular away days to focus on specific topics, for example the MTFS or changes to the organisational structure. The Team note the changes to Cabinet portfolios, including the appointment of a single cabinet member for Finance. Moving to just one Cabinet Member for Finance covering both revenue and capital has helped establish a closer working relationship between officers and the Cabinet member and a more efficient and effective approach. This bodes well for the future and is a significant improvement since our visit in October 2024.

In a political organisation there will always be scope for contest and tension between different groups of councillors, and political point-scoring or 'banter' can be a natural part of public meetings. We heard many reports from members and officers about professional and cordial relationships between the administration and the opposition, although these were not universally shared by all members.

In March 2025, Government announced Plan for Neighbourhood funding for Accrington. A new Neighbourhood Board has been created and is now developing an initial four-year regeneration plan for Accrington. This is now a key priority for Hyndburn and aligns well with its focus on regenerating Accrington Town Centre. Given local government reorganisation we support the council's decision to revisit the recommendation about a vision for the Borough once the regeneration plan has been submitted and there is clarity around the new unitary authorities within Lancashire. We note the importance of officer capacity to support the Neighbourhood Board and understand that this is being addressed as part of the review of the current organisational structure. We also noted the steps to appoint a permanent Chair for the Board: applications closed on the day of our visit.

3.2. Progress theme: Organisational development and communication

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This theme considers the progress made by the council against the following recommendations:

- Consider what capacity and skills the council needs to develop and address this as part of a review of the organisational structure (R4)
- Continue and broaden external engagement in order to learn from others and offer your experience (R10)
- Review and implement new plans for internal and external communication (R7)
- Promote the council's approach to climate change and decarbonisation (R9)

The council has commenced a review of skills and capacity required to create a strong legacy for Hyndburn and to support staff with acquiring qualifications, skills and expertise that prepare them for securing a new role in the new unitary council. There has been an increase in the training budget to enable staff development. This process also involves mapping the current and recent use of external consultants to determine opportunities to recruit or develop these skills in house. The Chief Executive has gathered feedback from Service Managers and discussions are now taking place with Cabinet to agree changes. The council is aware of the need to implement changes swiftly yet managing any HR or financial implications in line with the uncertainty created by the Fair Funding review. The designation of a dedicated operational lead officer will be important to ensure that this important piece of work can progress swiftly in order to enable the council to create the legacy it desires.

We note some progress in broadening the council's engagement with local government and beyond to learn and share learning. The Deputy Leader attended the LGA conference in the summer and other members from the administration and opposition are planning to attend future LGA events. The political and managerial leadership have been actively involved in shaping the work on local government reorganisation with Lancashire County Council. As part of a refreshed personal development review (PDR) process, staff at all levels are encouraged to engage in networking and learning from others. Following a recent visit from MHCLG's Levelling Up Fund (LUF) Unit, the council has been asked to provide an exemplar case study of its work in Accrington Town Centre. These are encouraging steps, and it will be

important for managers and leaders to continue to promote external engagement and lead by example.

There is a continued strong focus on climate change and decarbonisation with clear alignment between the draft climate strategy and action plan and the corporate strategy and political leadership through a portfolio lead for climate. There are some impressive projects including the decarbonisation of Market Hall and installation of solar panels and a range of community initiatives, for example Eco fest in Accrington town centre. The new Wilson Sports Village has been designed to optimise energy efficiencies including air source heat pumps, solar panels and utilisation of the latest Low and Zero Carbon Technologies. The council is engaging with the LGA to produce a case study on its climate change work and is working with the Lancashire officers group. Consideration should be given to identify how the good work in Hyndburn can be a legacy for a new unitary authority and how Hyndburn might be able to build the capacity of local organisations (e.g. Prospects) to deliver on a larger scale.

The council has reviewed its branding guidelines which were approved by Cabinet in June 2025. There is sustained focus on internal communication and the creation of a new staff engagement group who are overseeing the current staff survey is playing an important role in refining and delivering internal communications and sense checking that messaging and channels are right. In the meantime, we heard about more frequent e-bulletins and positive feedback about the speed and content of the all staff e-mail updates from the Chief Executive about LGR. Monthly meetings of the Service Managers Group are being re-vitalised and used as a conduit to cascade key corporate messages into teams. We heard about health and wellbeing initiatives, such as the 'learning and wellbeing month' (October 2025). The council's website has been updated and there are now dedicated individuals for each service with responsibility for their website pages. The website has a cleaner look and feel as a result.

3.3. Progress theme: Corporate Core

This theme considers the progress made by the council against the following recommendations:

- Design a transformation & digital strategy and action plan (R5)
- Develop a strategy for income generation (R6)
- Create a well understood and effective process for forward planning of council decisions (R8)

The establishment of a permanent digital and transformation manager and restructure in IT have meant that more dedicated time has been spent on transformation which is already providing dividends. The Digital & Transformation lead quickly identified the key issues and is putting in place a programme of improvements to bring the council in line with others. There are also good links into colleagues in other Lancashire authorities in preparation for LGR, helping to future proof. The wide ranging programme of activities includes a programme of PC replacement with laptops facilitating a more agile workforce, improvement of WiFi across the council offices, plugging satellite offices into the network via fibre connections so their speed of access is the same as in the main office, providing all members with ipads to reduce printing costs and moving systems into the cloud, rather than on premise. The council is also taking some first steps with AI.

Whilst noting the good progress being made, the challenge will be to front load the changes and speed up the process, for example, shortening the roll out of laptops to within one year, rather than across three, in order to capture benefits for longer. More investment in tech as well as resources with which to make the changes would drive faster benefits to the council.

Staffing and capacity issues outside the council's control over the last 10 months, the important focus on the responses to a detrimental Fair Funding Review 2.0 consultation from Government and LGR have meant slower progress than anticipated with the preparation of a strategy for income generation. Nonetheless, work underpinning the review of existing and new income streams - collating and implementing a fee list and discussing this with stakeholders - has started. Although this work will feed into the 2026/27 budget setting process in time for January and February, earlier groundwork would have helped establish a clearer position on the financial impact of this work for the revised MTFS in October. Having a clear record remains important, as does knowing which other levers can be pulled should the revenue be required. It will be important to accelerate pace, not least in the light of

possible outcomes of the Fair Funding Review 2.0. The intention to retain the interim resource through to year end to provide some continuity and capacity is eminently sensible.

A forward planning calendar has been introduced and is managed at Cabinet briefings. This enables better planning of Cabinet agenda's and has been welcomed. The process has been communicated to relevant members and staff and ensures that all parties are aware of relevant timescales and deadlines.

4. Final thoughts and next steps

The LGA would like to thank Hyndburn for undertaking an LGA CPC Progress Review.

We appreciate that senior managerial and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward. Whilst it is not the intention of these progress reviews to provide additional recommendations to change existing action plans or present new recommendations, we recognise that this report contains findings that the Council will wish to respond to. This includes specifics regarding the impact of the Fair Funding Review 2.0, the challenges of moving towards a sustainable financial footing in the medium-term, and the emerging implications of Local Government Reform.

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The LGA is well placed to provide additional support, advice and guidance on a number of the areas identified for development and improvement and we would be happy to discuss this.

Dan Archer (Principal Adviser) is the main point of contact between the authority and the Local Government Association (LGA) and their e-mail is Daniel.Archer@local.gov.uk.

Appendix 1.0: Full List of Original Recommendations:

Recommendation one

Conduct the planned review of the corporate strategy and align the organisational structure accordingly.

Recommendation two

Engage in top team development to develop effective relationships within cabinet/CMT as a group to create agreed ways of working and clarity of roles and responsibilities.

Recommendation three

With partners, lead the development of a clear and well understood vision for the whole borough (place strategy).

Recommendation four

Consider what capacity and skills the council needs to develop and address this as part of the review of organisational structure, including options for collaboration with partners and the use of consultants.

Recommendation five

Design a transformation and digital strategy and action plan.

Recommendation six

Develop a strategy for income generation, including commercial income, fees and charges and council tax.

Recommendation seven

Review and implement new plans for internal and external communication, aligning it with the new corporate strategy.

Recommendation eight

Create and implement a well understood and effective process for forward planning of council decision making which engages cabinet members and scrutiny.

Recommendation nine

Promote the council's approach to climate change and decarbonisation and play a



key role in leading the Borough on this agenda.

Recommendation ten

Continue and broaden your engagement with local government and beyond in order to learn from others and offer your experience and learning.

Agenda Item 7.

REPORT TO:		Cabinet	
DATE:		22 October 2025	
PORTFOLIO:		Councillor Clare Pritchard – Transformation and Town Centres	
REPORT AUTHOR:		Steve Riley – Executive Director (Environment)	
TITLE OF REPORT:		Town Centre Levelling Up funded project progress	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	Options	Not applicable	
KEY DECISION:	Options	If yes, date of publication:	

1. Purpose of Report

- 1.1 To update Cabinet on the Levelling Up funded (LUF) town centre projects.

2. Recommendations

- 2.1 That the Cabinet note the progress update as set out in this report.
- 2.2 That Cabinet note the financial pressures and additional resources needed to complete the Market Hall and Burtons Chambers as set out in paragraph 3.4.2, 3.6.4 and 3.6.5 of this report.
- 2.3 That Cabinet agree to allocate funding from Council reserves to meet the project budget pressures and project team recommendation for a contingency as set out in paragraph 3.6.4 and 3.6.5 of the report.

3. Reasons for Recommendations and Background

- 3.1 The Levelling Up Fund was announced at the 2020 Government Spending Review to focus on capital investment in local infrastructure projects that require up to £20m of funding and builds on prior programmes such as the 'Local Growth Fund' and 'Towns Fund'.

- 3.1.1 In January 2022, Cabinet gave its formal approval in support of the Town Centre Stakeholder Board's recommendations that the Council's LUF submission should focus around the following three principal interventions, noting that at the time 2 and 3 were not in the Council's ownership.

1. Redevelopment within the Indoor Market Hall and removal of the outdoor pavilions along Peel Street to provide an enhanced food and drink offering alongside traditional market stalls and new leisure offering – the intervention known as Market Hall.

2. Acquisition and external façade improvements/roof repairs to the properties of 43-59 Blackburn Road / 2-4 Church Street – the intervention known as Market Chambers.
3. Acquisition and redevelopment to the block 61-69 Blackburn Road to provide for a shared workspace offering – the intervention known as Burtons Chambers.

3.2 Acquisitions and Relocations

- 3.2.1 Following a delay until January 2023 in the funding announcement/agreement from the former Department for Levelling Up, Housing and Communities, (now MHCLG), all the relevant land interests, (freehold and leasehold) within the Market Hall, Burtons Chambers and Market Chambers have been acquired through sale by agreements, although the Compulsory Purchase Order notice (CPO) for Market Chambers, will still be implemented to ensure a clean full title.
- 3.2.2 The Market Hall - Three leasehold rights were secured from two traders in December 2023 and traders started decanting into the temporary cabins on the town square from February 2024. The Council also supported a number of traders and small businesses to permanently relocate into privately owned or the Council's own commercial units within the town centre. New 12-month leases have been issued to traders on the town square from 1 April 2025.
- 3.2.3 Burtons Chambers - The freehold interest in the building was secured in February 2023 and an early surrender of one of the two leasehold interests in October 2023. Whilst the Council undertook/financially supported work to identify a potential relocation for this tenant, it was not possible to acquire the final leasehold interest. However, the Council, as the landlord, may wish to review its options when this lease expires in June 2027.
- 3.2.4 Market Chambers - In total, six freehold and 25+ leasehold interests have been acquired across the properties 2-4 Church Street and 43-59 Blackburn Road, the first being secured in August 2023 and the last in July 2025.

3.3 RIBA 4 - Technical Design

- 3.3.1 All the design work for Market Hall and Burtons Chambers was completed through the Phase 1 contract.
- 3.3.2 Surveys for the external façade/windows/roof on Market Chambers is being delivered through separate contracts with the relevant design consultants, as the phase 1 contract had concluded.

3.4 RIBA 5 - Manufacturing and Construction

- 3.4.1 Morgan Sindall managed all the works issued under phase 1. Site cabins were installed in the Market Hall compound from February 2024 and were removed in June 2025. This contract included some additional works, following the strip-out, and some works brought forward from phase 2, as it was advantageous to the Council to do so. However, there were some works which were deemed more financially beneficial to move from phase 1 into the phase 2 contract.
- 3.4.2 The main works instructed under phase 1 included:

- Assisting market traders to decant into temporary bespoke cabins or support in relocating to other commercial units in the town centre, creation of a trader/porter welfare facility and improvements to Peel Street Toilets
- All freeholder and leaseholder acquisitions
- Establishment of secure permitter hoarding
- Installation of Changing Places Toilet Facility within the Market Hall
- Complete all relevant condition surveys, inspections and intrusive surveys
- Full RIBA stage 4 technical, engineering and construction design works
- Demolition/alteration of existing structures, full strip-out on all levels, including safe removal of large quantities of asbestos and additional structural repairs required following strip-out
- Securing all relevant planning approvals, listed building consents highways and utility permits
- Stone façade cleaning, repairs and replacement of unrepairable windows to the Market Hall and replacement of all windows to Burtons Chambers upper floors (including associated scaffolding)
- Removal of shop frontages and installation of new foundations for the curtain walling system/windows to Burtons Chambers ground floor front façade
- Foundation and associated groundworks required for the erection of a new compliant staircase structure within Burtons Chambers
- Termination of all existing utility connections (70+) and move towards provision of new single water and electric utility connections (this included an upgrade to the substation on the market service yard)
- Procure operators for Burton Chambers, (Management Agreement) and Market Hall, (Property Lease)

3.4.3 The following work headings have been/will be instructed under phase 2:

- Full internal fit-out works to Market Hall and Burtons Chambers, such as floors, walls, ceilings, electrical, mechanical and ventilation systems, decorations, fixtures/fittings etc.
- Installation of a new damp proof protection system to two elevations in Burtons Chambers which are below the external ground level
- Re-covering to the roof of Burtons Chambers
- Further replacement of roof glazing, guttering and safety walkway to the Market Hall roof
- Installation of a Solar Photovoltaic system to the Market Hall roof including any repairs to the existing covering
- External public realm works to Peel Street (reduced scope from the original approved planning application, following extensive surveys which identified the proximity/quantity of utility services and river culvert)

3.4.4 By separate appointment with relevant consultants, work has commenced to undertake the necessary surveys, inspections, intrusive surveys to Market Chambers external façade/roof. Whilst not within the phase 2 contract, there is the flexibility to vary in additional works to Market Chambers external façade/roof within the contract.

3.4.5 There is no LUF funded work planned to the remaining leaseholder's ground floor external façade to Burtons Chambers, although designs have been future proofed as far as possible so the space could be incorporated, the curtain walling system/windows and internal services extended into the redeveloped workspace if/when it becomes vacant.

3.4.6 Once the removal of the temporary market cabins on the town square is completed, it is likely some repairs will be needed to the existing paving. At present it is unknown/uncosted and it has been agreed any repair work will be managed directly by the Council.

3.5 Monitoring / Quarterly update reports to Funders

3.5.1 Regular quarterly reports have been submitted to the grant funders as required. The Council has always highlighted the initial 6-month delay in receiving the funding approval and within the last update to the funders in May 2025, the Council's working assumption for completion date on the Market Hall and Burtons Chambers was Q4 financial year 2025/26.

3.5.2 On the 28 August 2025, the Council was pleased to welcome four senior funding officers from MHCLG to view the town centre projects and who said,

"We are pleased with the progress made to restore the building fabric of both Market Hall and Burton Chambers, along with steps taken to accommodate displaced market traders. The completion of the CPO process for the Market Chamber is good news and gives us reassurance that this project will be delivered, as envisaged. We look forward to seeing work on the fit-out phase progressing and the Council realising their ambitions for these buildings and the wider town centre regeneration".

MHCLG have asked the Council if it would consider becoming an exemplar case study to showcase the great progress and lessons learnt from the project.

3.5.3 At the end of the phase 1, the project cost consultants reported £14,336,357 expenditure against £25,166,516 of available funding (£20,000,000 LUF funding, £3,666,516 from Hyndburn Borough Council and £1,500,000 of match funding from Lancashire County Council). This leaves a remaining budget of £10,830,139.

3.6 Phase 2 (fit-out) Tender Process

3.6.1 The project team initially received inquiries from twelve contractors following project publication notice in April. Ten contractors then submitted the required Procurement Specific Questionnaire (PSQ), which is a standardised set of documents introduced by the Procurement Act 2023 and supersedes the previously similar Pre-qualification questionnaire (PQQ). The project team evaluated the ten submissions against the criteria for experience of working on heritage assets and contract values.

3.6.2 In line with the open and transparent procurement process, four contractors were shortlisted as having the necessary skills and experience and were invited to submit tenders in May 2025. Three tenders were received by the required deadline on 11 July 2025, with one contractor verbally advising prior to the deadline they did not intend to submit a tender. The project team then undertook the normal process of moderating,

clarifying, and adjudicating the various tender submissions over a 4-week period, with submissions scored on Quality 60% and Price 40%.

Quality	Marks	Tender 1	Tender 2	Tender 3	Tender 4
Programme & Phasing	15	3	did not submit	5	14
Construction Methodology	5	3		0	5
Employers Requirements	10	3		5	7
Project Team Experience	10	7		10	10
Social Value	10	8		0	9
TOTAL	50	24		20	45
Multiplier	1.2	28.8		24	54

Note:

Tenderer 3 submitted their Construction Methodology and Social Value documentation after the deadline, so in line with the tender guidance, these could not be scored

Price	Marks	Tender 1	Tender 2	Tender 3	Tender 4
Adjusted lump sum tender price	40	0	did not submit	0	40
Detailed Preliminaries	5	0		2	0
Detailed Element Cost Breakdown	5	0		0	2
TOTAL	50	0		2	42
Multiplier	0.8	0		1.6	33.6

Notes:

Tenderer 1 price submission was incomplete, (single line tender figure) and did not include the required preliminaries book or cost breakdown, so these could not be scored. Tenderer 3 submission was a non-complaint pricing document and an arithmetic check revealed a 'doubling up' of costs carried forward into the summary page.

Tenderer 4 submission did not include a preliminaries book, so this could not be scored.

FINAL SCORES	Marks	Tender 1	Tender 2	Tender 3	Tender 4
Quality	60	28.8	did not submit	24	54
Price	40	0		1.6	33.6
TOTAL		28.8		25.6	87.6

3.6.3 Following the tender evaluation/adjudication process and tender price adjustments to ensure all submissions could be assessed on a 'like for like' basis, with the project team recommending the most advantageous tender to the Council, scoring the highest in both Quality and Price submissions, was tender 4. Tender 4 was submitted by Krol Corlett who have offices in Liverpool, Manchester and Preston, and are very experienced in working on the redevelopment of heritage buildings and fitting out for commercial activities.

3.6.4 Further provisional sum adjustments relating to the agreed scope of works were added to Krol Corlette's tender price and an agreed phase 2 signed contract to the value of £10,533,657. Two areas of increased costs highlighted during the tender process / contract negotiation alongside general inflationary costs was the extended programme,

which requires additional client professional fees, temporary trader cabin hire etc. and an additional risk allowance from the contractor relating to the existing building structures and works undertaken by the phase 1 contractor. The phase 2 contract cost plus the phase 2 client fees/costs gives a total phase 2 cost of £11,080,159. This is a budget pressure of £250,000 against the available budget of £10,830,159 and is circa 1% on a total overall phase 1&2 project cost of £25,416,516.

- 3.6.5 The project team have recommended that the Council holds an additional 'Client Contingency' to address any unknown costs that may arise during the remaining phase 2 works or to cover any Council driven variations or additional work requests. A prudent level of contingency would be to hold 5% of the project budget. Given both the budget pressures and wider project risks, this would require a budget of £500,000. It should be stressed that this funding is not part of the phase 2 contract but is a client contingency which may or may not be fully utilised.
- 3.6.6 At the time of writing the report, the contractor's programme shows a working assumption that the works to the Burtons Chambers will be completed by 6 July 2026 and the Market Hall by 13 July 2026 (**RIBA 6 – Handover**). Whilst the assumption provides for Burtons Chambers to be completed first, the Council has requested the contractor to consider completing the Market Hall first, to allow for the temporary cabins to be removed at the earliest opportunity. Discussions will continue with the contractor to understand if there is any opportunity to bring this date forward.
- 3.6.7 The Council will be liaising closely with the operators around these dates to understand the work/timescale they require for testing, soft launching and when their offerings will be fully operational and also the market traders who have been temporarily relocated onto the town square (**RIBA 7 – Use**).

3.7 Operators

- 3.7.1 The new operator for Burtons Chambers has signed the Management Agreement and set up a dedicated email address (burtonschambers@2-work.co.uk) where local businesses, entrepreneurs, residents, can register an interest in taking up space in the building when it opens. A report to Cabinet in March 2024, approved the allocation of £450,000 to cover any shortfall in the first 2 years net operating income for the shared office/workspace management agreement that Council has signed.
- 3.7.2 At the time of writing the report, the property lease for the Market Hall is still to be signed with the Council's preferred new market operator, Northern Lights Group Limited. Now that the final design has been priced and included within the phase 2 contract, signing the Market Hall lease will be the next milestone to achieve by the end of October 2025.
- 3.7.3 Once the redevelopments are complete, the Council will retain responsibility for maintaining the Market Hall and Burtons Chambers building structure/fabric and potentially internal M&E in the Market Hall (discussions on the lease with preferred market operator is still ongoing). At the time of Cabinet approving the LUF submission in March 2022, Cabinet was informed of the need to create a suitable maintenance budget and staffing structure given its responsibilities as a landlord/obligations under the management agreement with 2-work and property lease with the preferred market operator. This will need to be considered as the Council updates its MTFP.

3.8 Funding/Costs

- 3.8.1 The Council's LUF bid submission included levels of contingency/inflation/risk circa 30% of the project budget and the project team note there have been and continues to be cost pressures on delivering the projects. These range from unforeseen and additional work not included at the bid submission stage, hyperinflation on construction materials, high levels of inflation/wage increase, works undertaken out of sequence, increased costs of working on Grade II/Heritage buildings and additional land acquisition costs not included in the bid submission.
- 3.8.2 Even with the levels of contingency/inflation/risk highlighted above, the project team has been required to undertake two separate value engineering exercises. These have driven efficiencies and best value out of the project, whilst still achieving the required outcomes/outputs. In addition, the Council's procurement strategy agreed a 2-stage Design and Build procurement route with the works split into two phases. Phase 1 undertaking enabling works and phase 2 fit-out works. This decision has helped to deliver further best value for the public purse.
- 3.8.3 There are works which had been identified since the original LUF bid submission, which the Council could consider undertaking whilst the redevelopment work is taking place or recognise and note it as future maintenance works. In addition, there is other work suggested by the preferred market operator as a 'like to have' but none of this work has been included in the phase 2 contract.
- 3.8.4 The current development phase work for Market Chambers is being funded through a National Lottery Heritage Fund grant (Heritage Fund) together with match funding from the Council. During this development phase, internal designs will be concluded following a long period of community consultation and a delivery phase bid is likely to be submitted in May 2026. If successful, the internal redevelopment work within Market Chambers will be undertaken through a Heritage Fund delivery phase across the financial years 2026/27-2028/29, dependent on the heritage funding start date. At the time of the initial funding submission in August 2023, the delivery phase would be funded through the remaining Heritage Fund grant plus Council match funding to provide for a total construction budget. It should be noted that the estimated construction costs from the initial bid are of course subject to change as the designs are yet to be agreed and any tender for the works is 12/18 months away. The external façade/roof works are not funded through the Heritage Fund or remaining LUF funding and will need additional Council funding or other external funding.

3.9 Levelling Up Fund (LUF) Process Evaluation – Phase 1

- 3.9.1 In 2024, the Ministry of Housing Communities and Local Government commissioned SYSTRA and Frontier Economics to undertake a two-phase progress evaluation of the LUF fund. The Fund has awarded £4.8bn for local authorities to invest in local infrastructure projects, which focus on regenerating town centres and high streets, upgrading local transport, and investing in cultural and heritage assets. The funding was awarded in three rounds following a competitive bid process.
- 3.9.2 The report, (see link below) presents the findings of the first phase evaluation carried out between March and November 2024. It provides emerging evidence and lessons learned on the efficiency and effectiveness of awarding funding under Rounds 1 and 2 of the

Fund, with initial insights on Round 3. This is intended to provide learning to support current LUF projects as they continue their delivery, provide evidence to shape future policy, and inform Phase 2 of the evaluation (to be carried out between 2025 and 2027). All findings presented are preliminary and subject to change following more detailed work in Phase 2.

(https://assets.publishing.service.gov.uk/media/688204293f7707762412058a/LUF_Process_Evaluation_Phase_1_Final_Report.pdf)

3.9.3 The report recognises there was areas of good working relationships between authorities and funding officials. However, some of the main concerns found included:

- The previous government's desire to launch the Round 1 Fund rapidly created time pressures which impacted its launch as well as the development of bids. By Round 2, changes had been made to the application and assessment processes, although these had mixed effectiveness.
- Local authorities generally did not have eligible well-developed schemes available, ('on the shelf') which affected the pace at which project delivery could begin.
- 92% of projects submitted were only at conceptual/planning stage or preliminary design phase, with only 3% construction ready.
- There was a delay in opening the application portal.
- Many authorities acknowledged the tight delivery timelines stated in the funding guidance and felt this was ambitious given the processes involved, level of spend and where it involved complex regeneration project/s, which was particularly overambitious for listed building projects.
- There was a delay in making the funding announcement.
- There were delays / additional work involved for authorities in demonstrating project compliance with the new Subsidy Control Act 2022, which came into effect 4 January 2023, (prior to the funding announcement) and the new Procurement Act 2023, which came into effect February 2025, (prior to the phase 2 fit-out works tender process).
- Almost all, (95%) of projects, are experiencing delays relative to timelines in their bid submission, largely due to delays before construction. Of these, 57% are delayed for up to a year, 38% delayed over a year and 6% delayed more than 2 years.
- The length of time needed to secure land acquisitions and/or planning permission/listed building consent was highlighted in project delivery delays.
- Unexpected costs, hyperinflation of construction materials, COVID 19, the war in Ukraine and lack of market capacity, were the most significant factors in increased costs/timelines to project completion.
- Supply availability varies across the country, with access to skilled contractors and experienced project managers recognised as being crucial for the delivery of ambitious infrastructure projects.

4. Alternative Options considered and Reasons for Rejection

4.1 The report is for updating Cabinet on progress.

5. Consultations

- 5.1 Monthly update meeting with Portfolio Holders, updates to Cabinet and briefing the existing Accrington Town Centre Stakeholder Board, with its revised terms of reference to simply support the delivery phase of the LUF funded projects.

6. Implications

Financial implications (including any future financial commitments for the Council)	<p>Budget pressures highlighted in paragraph 3.6.4 in the report require an additional £250,000 of funding to complete the agreed scope of works under a phase 2 contract (this represents a circa 1% increase in the total phase 1&2 LUF budget).</p> <p>Paragraph 3.6.5 of the report highlights the project team's recommendation for the Council to hold a £500,000 'Client Contingency' for the phase 2 contract. Any use of this contingency will be at the sole discretion of the Council.</p> <p>In setting its MTFP, the Council assumed a LUF project completion of 31 March 2026 and therefore no further revenue expenditure on the Council's Market Service budget (the remaining market staff are either on temporary contracts until 31 March 2026 or have an agreed retirement date of 31 March 2026. The phase 2 contractor's current working assumption provides for a completion date in Q2 of financial year 2026/27 and as such the market staff would need to continue their employment into financial year 2026/27 until project is completed.</p> <p>The Council will need to give consideration to creating a suitable maintenance budget and staffing structure given its responsibilities as a landlord and obligations under the management agreement with 2-work and property lease with the preferred market operator. This will need to be considered as the Council updates its MTFP over the coming 12 to 18 months.</p> <p>The additional project budget pressures of £250,000 and the recommended £500,000</p>
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	<p>phase 2 contingency will be funded from existing Council reserves.</p>
Legal and human rights implications	<p>The phase 2 contractor was procured through an open and transparent tender process in line with the Procurement Act 2023, ensuring the Council was compliant with the new public procurement regime.</p> <p>As the phase 2 contractor has been procured through an open and competitive tender process, the question of subsidy control does not arise, and the Subsidy Control Act 2022 does not apply to the proposed contract with the contractor.</p> <p>The contractual risk to the Council has been mitigated by the Council's external legal advisors to the LUF project, reviewing and recommending appropriate contractual terms and conditions within the JCT Design and Build contract for agreement with the phase 2 contractor.</p>
Assessment of risk	<p>There is a risk of unforeseen additional costs or client driven changes to the phase 2 works. This has been mitigated as far as possible in agreeing a defined scope of works, fixing the costs of works where ever possible, strict procedures to investigate/sign off any claims for additional work/cost incurred by the contractor and where the designs have yet to be finalised/agreed, provisional sums have been market tested to give accuracy and some assurance.</p> <p>There is a risk to the Council of the contractor not completing by their programme date. This has been mitigated by including appropriate levels of liquidated damages. The level of such damages would cover additional costs incurred by the Council such as retaining the client project team, extended cabin hire etc.</p> <p>There is a risk to the Council of the operator withdrawing if the project is delayed. This has been mitigated by the operator management agreement for Burtons Chamber stating a 'practical completion' date i.e. when the building is handed back to the Council rather</p>

	<p>than a specific contractual calendar date. Whilst not yet signed, the same approach will be utilised for the operator lease for the Market Hall.</p> <p>There is a risk that the current market staff do not wish to remain in the Council's employment past 31 March 2026 as per their temporary contract or agreed retirement plan. This will be mitigated by entering into early discussions with the staff and agreement to a contract extension or delayed retirement.</p>
<p>Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i></p>	Not applicable for this report

7. **Local Government (Access to Information) Act 1985: List of Background Papers**

7.1 Town Centre Levelling Up Funded Project Update – Special Overview & Scrutiny Committee October 2025
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=323&MId=3053&Ver=4>

Town Centre Levelling Up Funded Project Update – Special Overview & Scrutiny Committee February 2025
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=323&MId=2990&Ver=4>

Market Chambers Operating Costs - Cabinet January 2025
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2898&Ver=4>

Appointment of Operator for Burtons Chambers – Cabinet March 24
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2802&Ver=4>

Levelling Up Funded Projects Update - Special Scrutiny Committee March 2024
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Market Traders Decant Accommodation – Cabinet October 2023
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2798&Ver=4>

LUF General Update and Operator Procurement – Cabinet September 2023
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Levelling Up Update – Special Scrutiny Committee July 2023

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Levelling Up Update – Cabinet June 2023

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Levelling Up Update – Special Scrutiny Committee March 2023

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Levelling Up Update – Special Scrutiny Committee December 2022

<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=323&MId=2762&Ver=4>

8. Freedom of Information

- 8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.

REPORT TO:		CABINET	
DATE:		22 October 2025	
PORTFOLIO:		Councillor Vanessa Alexander - Resources and Council Operations	
REPORT AUTHOR:		Mark Beard – Head of Audit & Investigations	
TITLE OF REPORT:		Economic Crime and Corporate Transparency Act 2023 – Failure to Prevent Fraud – Guidance and Policy Document	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	No	Not applicable	
KEY DECISION:	No	If yes, date of publication:	

1. Purpose of Report

- 1.1 To inform Cabinet about the Economic Crime and Corporate Transparency Act 2023 which became applicable from 1st September 2025.

2. Recommendations

- 2.1 I recommend that Cabinet:
- Approves the Economic Crime and Corporate Transparency Act 2023 – Failure to Prevent Fraud, Guidance and Policy Document as attached at Appendix 1

3. Reasons for Recommendations and Background

- 3.1 New offences are created by the Economic Crime and Corporate Transparency Act 2023. The Legislation is applicable from 1st September 2025. Section 199 of Economic Crime and Corporate Transparency Act 2023 creates a new offence that will hold Hyndburn Borough Council to account for fraud committed by their employees, agents, subsidiaries, or other associated persons who provide services for or on behalf of the Council. The fraud must have been committed with the intention of benefiting the Council or its clients. It does not need to be demonstrated that the Council's Directors or Senior Management ordered or knew about the fraud. It does not need to be proven there was any benefit for the Council. The offender can simply say that was their intention in the fraud they carried out.

- 3.2 Under the Act, Hyndburn Borough Council may be criminally liable if it did not have reasonable fraud prevention procedures in place.
- 3.3 The offence sits alongside existing law. For example, the person who committed the fraud may be prosecuted individually for that fraud, while Hyndburn Borough Council may be prosecuted for failing to prevent it.
- 3.4 The Council will have a defence if it has reasonable procedures in place to prevent fraud, or if the Council can demonstrate to the satisfaction of the court that it was not reasonable in all circumstances to expect the Council to have any prevention procedures in place.
- 3.5 The overall risk to Hyndburn Borough Council of a fraud which falls within the remit of this legislation is believed to be relatively low, as the fraud must have the basis to directly benefit the Council or its clients and not just the perpetrator of the fraud which is the most common result of most frauds. The Council must have a policy in place which sets out the Council's position to the Legislation and how it deals with it.
- 3.6 The attached Guidance and Policy Document is part of a group of policies which inter-link and collectively form part of the Council's Anti-Fraud culture and governance framework. The existing policies that this will sit alongside include the Anti-Fraud, Corruption and Bribery Policy, Criminal Facilitation of Tax Evasion Policy and the Anti-Money Laundering Policy.
- 3.7 As part of the steps needed to demonstrate a robust defence, the Head of Audit & Investigations intends to carry out refresher training on Fraud, Corruption and Bribery which will also include the key aspects of the new policy surrounding the Economic Crime and Corporate Transparency Act 2023. Project leads, especially where not a Council employee will also be made aware of this policy.
- 3.8 The Guidance and Policy Document details who to report an issue to and the policy will be regularly reviewed and updated if any changes are necessary.

4. Alternative Options considered and Reasons for Rejection

- 4.1 There are no alternative options as the Council must recognise the Economic Crime and Corporate Transparency Act 2023 and incorporate steps to ensure its fraud prevention measures are robust as a key line of defence.

5. Consultations

- 5.1 No consultations required.

6. Implications

Financial implications (including any future financial commitments for the Council)	There are no financial implications arising directly from this report.
Legal and human rights implications	There are no legal or human rights implications arising from this report.
Assessment of risk	Whilst there is no direct risk implication from this report, a risk would be created if no policy were adopted.
Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	A Customer First Analysis has not been prepared as this is a new policy that sits alongside existing policies. The policy itself does not create equality of diversity implications.

7. Local Government (Access to Information) Act 1985: List of Background Papers

7.1 There are no background documents.

8. Freedom of Information

8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.

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Economic Crime and Corporate Transparency Act 2023

Failure to Prevent Fraud - Guidance and Policy Document

Policy Version: 1
Revised:
Checked / Reviewed: **August 2025**

Last Policy Approval:

Overview of the Offence

Section 199 of the Economic Crime and Corporate Transparency Act 2023 creates a new offence that will hold Hyndburn Borough Council to account for fraud committed by their employees, agents, subsidiaries or other associated persons who provide services for or on behalf of the Council, where the fraud was committed with the intention of benefiting the Council or its clients. It does not need to be demonstrated that the organisation's Directors or Senior Managers ordered or knew about the fraud. It does not need to be proven there was any benefit for the Council. The offender can simply say that was their intention in the fraud they carried out.

The offence will not extend to individual liability for persons within the Council for failing to prevent the fraudulent behaviour. However, this does not preclude Hyndburn Borough Council being corporately prosecuted for failing to prevent it.

Aims of the Legislation and Background

New offences are created by the Economic Crime and Corporate Transparency Act 2023. The legislation is applicable from 1st September 2025.

Under the Act, Hyndburn Borough Council may be criminally liable if it did not have reasonable fraud prevention procedures in place. It does not need to be demonstrated that Directors or Senior Managers ordered or knew about the fraud.

The offence sits alongside existing law. For example, the person who committed the fraud may be prosecuted individually for that fraud, while Hyndburn Borough Council may be prosecuted for failing to prevent it.

The Act makes it easier to hold Hyndburn Borough Council to account for fraud committed by employees, its agents, or other associated persons working on behalf of the Council, which may benefit the Council, or, in certain circumstances, its clients. The offence is designed to encourage more organisations to implement or improve prevention procedures, driving a major shift in corporate culture to help prevent fraud.

The Economic Crime and Corporate Transparency Act 2023 introduces the offence of Failure to Prevent Fraud, which applies to a wide range of organisations. Hyndburn Borough Council falls within the scope of this offence as a "large organisation", as defined by the Act. An organisation is considered large if it meets two out of the following three criteria:

- More than 250 employees
- More than £36 million in turnover
- More than £18 million in total assets

Currently, small and medium sized enterprises (SMEs) are exempt from this offence, but this exemption may be subject to change in the future.

The offence applies to large organisations only and applies across the UK.

The key defence to the offence is for the Council to prove it had reasonable fraud prevention procedures in place (or that it was unreasonable to expect it to have such procedures). In accordance with established case law, the standard of proof is the balance of probabilities. Ultimately only the courts can determine whether a relevant body has reasonable prevention procedures in place to prevent fraud in the context of a particular case, considering the facts and circumstances of that case.

Types of Fraud Covered by the Offence

- Fraud offences including:
 - Fraud by false representation
 - Fraud by failing to disclose information
 - Fraud by abuse of position
- Participation in a fraudulent business
- Obtaining services dishonestly
- Cheating the public revenue
- False accounting
- False statements by company directors
- Fraudulent trading.

Who commits the base fraud and in what circumstances?

An officer, director, employee, agent or subsidiary of an organisation, or a person who otherwise performs services for or on behalf of the organisation

The corporate offences can only take place if the person commits a base fraud whilst acting in the capacity of a person associated.

A subsidiary undertaking of a large organisation is an associated person for the purposes of this offence. This means that it is possible for a parent company to be prosecuted for failure to prevent fraud where the base fraud offence is committed corporately by a subsidiary and where the beneficiary is the parent organisation, or its clients to whom the subsidiary provides services for or on behalf of the parent organisation.

The parent organisation is not responsible for unrelated activities by subsidiaries.

Investigation Penalties and Sanctions

The Serious Fraud Office have the jurisdiction to investigate this offence. In a recent speech the SFO Director emphasised that the SFO is looking prosecute for the offence, and noted that organisations should ensure their procedures are in place by September 2025.

The potential results of an investigation include:

- Criminal Prosecutions with an Unlimited fine
- Long investigations that require time and resource
- Reputational damage
- Private prosecutions can be brought.

Defence of reasonable fraud prevention procedures

Hyndburn Borough Council will have a defence if it has reasonable procedures in place to prevent fraud, or if Hyndburn Borough Council can demonstrate to the satisfaction of the court that it was not reasonable in all the circumstances to expect the Council to have any prevention procedures in place.

The question of whether Hyndburn Borough Council had reasonable procedures in place to prevent fraud in the context of a particular prosecution is matter that can be resolved by the courts, considering the particular facts and circumstances of the case. If a case comes to court, the onus will be on Hyndburn Borough Council to prove it had reasonable procedures in place to prevent fraud at the time the fraud was committed. In accordance with established case law, the standard of proof in this case is the balance of probabilities.

The Home Office have been working with a number of local authorities for the past two years, leading to publishing official guidance on what constitutes reasonable fraud prevention procedures. Departure from the suggested procedures will not automatically mean that Hyndburn Borough Council did not have reasonable fraud prevention procedures in place.

The reasonableness of procedures should take account of the level of control, proximity and supervision Hyndburn Borough Council is able to exercise over a particular person acting on its behalf. For example, where a supply chain involves several entities or a project is to be performed by a prime contractor with a series of subcontractors, the Council is likely to only exercise control over its relationship with its contractual counterparty.

What constitutes reasonable fraud prevention procedures?

The legislation requires Hyndburn Borough Council to put a fraud prevention framework in place informed by the following six principles:

- 1.) Top level commitment
- 2.) Risk assessment
- 3.) Proportionate risk-based prevention procedures
- 4.) Due diligence
- 5.) Communication (including training)
- 6.) Monitoring and review

These principles are intended to be flexible and outcome-focussed, allowing for the huge variety of circumstances that relevant bodies find themselves in. As set out in more detail below, procedures to prevent fraud should be proportionate to the risk.

Top Level Commitment

Hyndburn Borough Council's senior management have an important leadership role in relation to fraud prevention.

This legislation effectively places responsibility for the prevention and detection of fraud with all those charges with governance of the organisation. The board of directors, partners and senior management of a relevant body should be committed to preventing persons from committing fraud. They should foster a culture within the organisation in which fraud is never acceptable.

The level and nature of senior management involvement will vary depending on the size and structure of an organisation, but as a basic requirement they are expected to:

- Communicate and endorse Hyndburn Borough Council's stance on preventing fraud, including mission statements
- Ensure that there is clear governance across the council in respect of the fraud prevention framework.
- Commit to fraud training and resourcing
- Lead by example by fostering an open culture, where staff feel empowered to speak up if they encounter fraudulent practices.

Communication and endorsement of Hyndburn Borough Council's stance on preventing fraud

Hyndburn Borough Council has a zero tolerance to fraud.

The legislation requires regular and effective formal statements and communication from senior management to demonstrate the commitment to tackle fraud and promote this position, including:

- A commitment to reject fraud
- Articulation of the business benefits of rejecting fraud (reputational, customer and business partner confidence)
- Signposting key individuals and / or departments involved in the development and implementation of the organisation's fraud prevention procedures. In Hyndburn Borough Council this is primarily by Internal Audit.
- Articulation of the consequences for those committing fraud or breaching the policies relating to fraud.

Ensuring that there is a clear governance across Hyndburn Borough Council in respect of the fraud prevention framework

In Hyndburn Borough Council responsibility for the financial crime prevention framework is primarily overseen by Internal Audit with the support of Corporate Management Team.

Home office guidance states it is best practice for the fraud prevention framework to include:

- Horizon scanning for new fraud risks
- Conducting continuous assessment of fraud risk
- Developing and implementing fraud detection measures
- Developing, implementing and testing fraud prevention measures
- Ensuring that appropriate management information is collected and shared to enable senior managers to understand the risks and the effectiveness of fraud prevention procedures
- Zero tolerance approach to fraud, ensuring consistent appropriate disciplinary outcomes and publication of outcomes to prevent fraud
- Effective Whistleblowing arrangements in place to report concerns
- Ensure all suspected concerns relating to fraud are impartially and thoroughly investigated
- Continuous monitoring and review of the framework
- Ensuring that those tasked with delivering the framework have direct access to the Board or CEO as they think necessary. At Hyndburn Borough Council this is through the Audit Committee and if necessary direct contact with the Monitoring Officer and CEO
- Reporting to the Board as appropriate

- Reviewing the fraud prevention framework and its implementation
- Minute decisions and actions

Commitment to training and resource

Home office guidance says best practice includes:

- Senior managers should commit to allocating a reasonable and proportionate budget specifically for the leadership, staffing and implementation of the fraud prevention plan, including training. This budget could encompass not only personnel costs but also funding for technology that may include third party due diligence, platforms and relating due diligence tools.
- Senior managers commit to resourcing the fraud prevention plan over the long term
- Senior managers commit to sustaining anti-fraud practices when key members of staff are on annual leave, or off work with illness, or when they leave the organisation.

Leading by example and fostering an open culture

Early action can prevent fraudulent practices from taking hold. Senior managers have a leadership role in fostering an open culture where staff are encouraged to speak up early if they have any ethical concerns, no matter how minor.

Fraudsters often rationalise fraud by a variety of techniques:

- Focus on responsibility (“it was a group decision”, “it’s the auditors’ job to catch this”, “everyone does it”)
- Focus on the consequences of the act (“it is not material”, “I am levelling the field”)
- Focus on the victim (“fraud is a victimless crime”, “it’s their duty to exercise proper due diligence”)

Senior managers should show leadership by challenging these arguments proactively, pointing out the effects of fraud on the business, other colleagues, the sector and public trust. This position may be codified in the organisation’s code of ethics or other ethical policies.

The whistleblowing arrangements should be regularly publicised and training be provided to develop a “speak up” culture.

Risk Assessment

Hyndburn Borough Council is required to complete an extensive fraud risk assessment across the entirety of the organisation. This risk assessment should identify sources of information about potential risks including:

- Data analytics
- Previous audit (which may have flagged potential fraud risks)
- Sector specific information, best practice advice or toolkits from relevant professional or trade bodies or regulators
- Regulator enforcement actions

In some limited circumstances, it may be deemed reasonable not to introduce measures in response to a particular risk. However, it will rarely be considered reasonable not to have conducted a risk assessment. Any decision made not to implement procedures to prevent a specific risk should be documented, together with the name and position of the person who authorised that decision.

The risk assessment should be kept under review. The frequency of review is a matter for Hyndburn Borough Council. However, if the risk assessment has not been reviewed recently enough, a court may determine that it was not fit for purpose and therefore that “reasonable procedures” were not in place at the time of the fraud.

The legislation requires a comprehensive and wide-ranging risk assessment to be conducted over Hyndburn Borough Council and any subsidiary entities that may exist at any future point.

Proportionate risk-based fraud prevention procedures

Hyndburn Borough Council operates its fraud prevention framework based on the 4 pillars of the Fighting Fraud and Corruption Locally (FFCL) Strategy (pictured below) and these thematically align with the legislative requirements.



Compliance with FFCL will automatically align with large parts of what the legislation determines as reasonable fraud prevention, although the legislation places significant additional requirements on the council.

The legislation requires that:

- Hyndburn Borough Council procedures to prevent fraud by persons associated with it are proportionate to the fraud risks it faces and to the nature, scale and complexity of Hyndburn Borough Council's activities. They must also be clear, practical, accessible, effectively implemented and enforced.
- Hyndburn Borough Council is required to draw up a fraud prevention plan, with procedures to prevent fraud being proportionate to the risk identified in the risk assessment.
- It is a key principle that the fraud prevention plan should be proportionate to the risk and the potential impact. The level of prevention procedures considered to be reasonable should take account of the level of control and supervision Hyndburn Borough Council is able to exercise over a particular person acting on its behalf and the relevant body's proximity to that person. For example, Hyndburn Borough Council is likely to have greater control over the conduct of an employee than that of an outsourced worker performing services on its behalf. Nonetheless, appropriate controls should be implemented via the relevant contract.

It is not necessary or desirable for Hyndburn Borough Council to duplicate existing work. Equally, it would not be a suitable defence to state that because Hyndburn Borough Council is a public authority, its compliance processes under existing regulations would automatically qualify as "reasonable procedures" under the Economic Crime and Corporate Transparency Act.

To avoid duplication of work, Hyndburn Borough Council needs to assess whether its existing regulatory compliance mechanisms, financial reporting controls and fraud prevention measures would be sufficient to prevent each of the fraud risks identified in the risk assessment. Where existing mechanisms appear to be insufficient, Hyndburn Borough Council is required to develop appropriate measures to prevent fraud.

When considering the proportionality of reasonable prevention procedures, some suggested risk factors to consider may include:

Reducing the opportunities for fraud

- Does Hyndburn Borough Council undertake pre-employment and vetting checks?
- For high-risk roles, does it carry out ongoing vetting checks?
- Do those in high-risk roles receive regular anti-fraud training and how vigorously is compliance with training evaluated or monitored?
- Does Hyndburn Borough Council assess emerging risks systematically?
- If new services or associated persons present a fraud risk, is a fraud impact assessment made? What countermeasures can Hyndburn Borough Council put in place?
- Are fraud risks managed equally well throughout the procurement process (pre-tender, tender, contract management, during project delivery and project extension)? Do contracts include appropriate terms for associated persons and are these reviewed?
- Does Hyndburn Borough Council use best practice with regard to financial reporting, for example, segregation of duties, reconciliation of accounts, suitable sign-off arrangements?
- Have any internal or external audits raised any fraud concerns that have not been acted upon?
- Do procedures for avoiding conflicts of interest need to be bolstered, are they regularly reviewed for compliance and what action is taken when they are not?
- What are the arrangements for limiting access to sensitive or commercial data? Are they kept up to date?
- What is the best practice on reducing fraud risks in the sector?

Reducing the motive for fraud

- What can be done to prevent time pressures encouraging staff to cut corners, potentially fraudulently?
- Does the organisation collect information on potential conflicts of interest and keep such information under review?

Putting in place consequences for committing fraud

- What are the internal disciplinary procedures for those found to be committing fraud?

- Are the outcomes of fraud-related investigations communicated to staff and other associated persons to prevent others committing offences?

Reducing the rationalisation of fraudulent behaviour

Over time “one off” frauds may become normalised as people rationalise certain fraudulent behaviours, with arguments such as “other businesses do it”. This phenomenon is known as “ethical fading”.

Hyndburn Borough Council needs to encourage proactive challenge of these views as part of communication and training programmes, and in the code of ethics, by pointing out the impact of fraud on colleagues, on the business, on the sector and on public trust.

Hyndburn Borough Council needs to stress that the prevention of fraud is the responsibility of everyone in the organisation. For example, incorporating a reminder about the organisation’s code of ethics into performance evaluation.

Emergency scenarios

Public sector organisation in scope should follow specific guidance on fraud prevention in emergency scenarios or relevant information from counter-fraud authorities.

It is recognised that not all emergencies are foreseeable and the defence that under the circumstances it was reasonable not to have any fraud prevention procedures in place may apply. One example is when a public authority uses its legal powers to take action to resolve a crisis in the public interest. However, this situation should be time limited. The necessary procedures to prevent fraud should be put in place as quickly as reasonably possible following the crisis and this process should be documented.

Due Diligence

The legislation requires Hyndburn Borough Council to apply due diligence procedures, taking a proportionate and risk-based approach, in respect of persons who perform or will perform services for or on behalf of Hyndburn Borough Council, in order to mitigate identified fraud risks.

It should be noted that merely applying existing procedures tailored to a different type of risk will not necessarily be an adequate response to tackle the risk of fraud. Those with exposure to the greatest risk may choose to clearly articulate their due diligence procedures specifically in relation to the corporate offence.

Hyndburn Borough Council should conduct due diligence on associated persons (including new partners). Examples of best practice include:

- Using appropriate technology, for example, third-party risk management tools, screening tools, internet searches, checking trading history or professional or regulated status if relevant, or vetting checks if appropriate.
- Reviewing contracts with those providing services, to include appropriate obligations requiring compliance and ability to terminate in the event of a breach where appropriate
- Reviewing contracts for agents
- Monitoring of well-being of staff and agents to identify persons who may be more likely to commit fraud because of stress, targets or workload.

Hyndburn Borough Council should conduct due diligence in relation to mergers or acquisitions. Examples of best practice include:

- Using third party merger and acquisition tools.
- Assessment of any relevant criminal or regulatory charges
- Assessment of tax documentation
- Assessment of the firm's exposure to risk
- Assessment of the firm's fraud detection and prevention measures (bearing in mind that if the firm being acquired does not qualify as a "large organisation" as set out in section 201 of the Economic Crime and Corporate Transparency Act 2025, it may not have any procedures that directly address the offence of failure to prevent fraud)
- Integration of fraud prevention measures post-acquisition.

Hyndburn Borough Council may choose to conduct their due diligence internally, or externally, for example by consultants. The due diligence procedures put in place should be proportionate to the identified risk and kept under review as necessary.

Communication

The legislation requires:

Hyndburn Borough Council to ensure that its prevention policies and procedures are communicated, embedded and understood throughout the organisation, through internal and external communication. Training and maintaining training are key.

A clear articulation and endorsement of an organisation's policy against fraud deters from engaging in such activities. Communication should be from all levels within an organisation. It is not enough for the senior management to say that staff should not

commit fraud, if middle management then actively ignore this and encourage junior members to circumvent the relevant body's fraud prevention procedures.

It is important that Hyndburn Borough Council ensures awareness and understanding of its policies amongst those who provide services for or on its behalf. Hyndburn Borough Council may feel that it is necessary to require its representatives to undertake fraud-specific training, depending on the risks it is exposed to. This would be to ensure that they have the skills needed to identify when they and those around them might be at risk of engagement in an illegal act and what whistle-blowing procedures should be followed if this occurs.

It may be helpful to integrate fraud messaging into existing policies and procedures. For instance, policies related to customer interactions could include a brief statement addressing fraud rationalisation and the potential consequences of committing fraud.

Hyndburn Borough Council should publicise internally the outcome of investigations, particularly when sanctions have been imposed.

Training

Training should be proportionate to the risk faced. Consideration should be given to the specific training needs of those in the highest risk posts. Training should cover the nature of the offence as well as the procedures to address it.

Hyndburn Borough Council will need to introduce bespoke training to address specific fraud risks. Training should include ensuring that staff and other associated persons are familiar with whistleblowing policies. Since whistleblowing is something that staff or other associated persons are likely to do infrequently, it requires regular reminders of the procedures in internal communications.

It is good practice to monitor the effectiveness of training programmes and to ensure that they are kept up to date, particularly as staff move.

Whistleblowing

Transparency International states that "whistleblowing is one of the most effective ways to uncover corruption, fraud, mismanagement and other wrongdoing". To help prevent fraud, organisations should have appropriate whistleblowing arrangements.

Hyndburn Borough Council has strong whistleblowing arrangements in place, however improvements around the following areas is required:

- Training staff to ensure that they are aware of how to access whistleblowing arrangements and managers on how to respond when whistleblowing concerns are raised

- Conducting victimisation risk assessments and protecting whistle-blowers from potential victimisation
- Better learning mechanisms from the issues raised by whistle-blowers.

Monitoring and Review

The legislation requires Hyndburn Borough Council to monitor and review its fraud detection and prevention procedures and makes improvements where necessary. This includes learning from investigations and whistleblowing incidents and reviewing information from its own sector.

Monitoring includes three elements: detection of fraud and attempted fraud, investigation outcomes and monitoring the effectiveness of fraud prevention measures.

Review

Hyndburn Borough Council is expected to adapt its fraud detection and prevention procedures in response to the changes in the risks that it faces. The frequency of review is a matter for Hyndburn Borough Council, but risk assessments are conducted at consistent intervals (annually or bi-annually).

Hyndburn Borough Council should review its fraud detection and prevention procedures by:

- Seeking internal feedback from staff members
- Reviewing fraud detection analysis
- Examining any investigations or relevant whistleblowing cases and the subsequent action taken
- Examining other financial crime prevention procedures
- Conducting formalised periodic review with documented findings
- Following advice from professional organisations (for example accountancy or legal bodies)
- Examining any relevant prosecutions or deferred prosecution agreements
- Collating and verifying management information on the effectiveness of the fraud prevention measures and flagging to the board.

This is not an exhaustive list, and it is expected that organisations will choose the approach most suited to their needs.

Raising Concerns

If you believe a fraud may have been committed the first thing you must do is to inform one of the key individuals detailed below.

In addition, do **NOT** attempt to investigate the matter yourself and do not discuss your concerns with others as this could alert those involved in the fraud that they have been discovered.

Failing to report an issue you are aware of could result in the Council taking action against you if it is later proven that your actions impacted the fraud, its implications or created implications against the Council.

In the first instance you should contact:

Mark Beard	Head of Audit & Investigation	01254 380634 Internal Ext. 2634 mark.beard@hyndburnbc.gov.uk
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Alternatively you can report it to any of the following:

David Welsby	Chief Executive	01254 380110 Internal Ext. 2110 dave.welsby@hyndburnbc.gov.uk
Jane Ellis	Executive Director (Legal & Democratic Services) & Monitoring Officer	01254 380146 Internal Ext. 2146 jane.ellis@hyndburnbc.gov.uk
Martin Dyson	Executive Director (Resources) & s151 Officer	01254 380973 Internal Ext. 2973 martin.dyson@hyndburnbc.gov.uk

All concerns raised will be treated in confidence, properly investigated and dealt with.

The Council's Whistleblowing policy also gives further guidance on how to raise concerns and it gives details about the support and safeguards that are available to those that do raise concerns.

Internal Audit Awareness of all Concerns Raised

Following a concern being raised, Internal Audit **MUST** be made aware of the issue if this was not made to the Head of Audit & Investigation in the first instance.

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